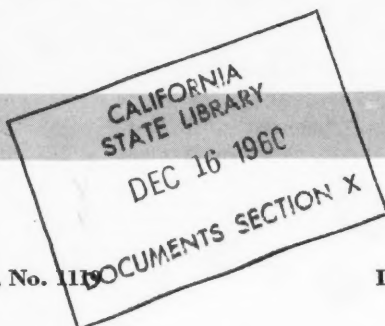




# Bulletin



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December 5, 1960

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THE DEPARTMENT OF STATE

# Bulletin

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December 5, 1960

The Department of State BULLETIN, a weekly publication issued by the Office of Public Services, Bureau of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

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## The Economic Challenge in Foreign Policy

*Address by Secretary Herter<sup>1</sup>*

This conference has sustained my conviction that New England is well qualified to make exemplary and concrete contributions not only to this region but also to the task which I wish to discuss this evening. It was in this community that "the revolution of rising expectations" became a reality for the United States some 185 years ago—a revolution dedicated to the achievement of political independence and to the fulfillment of economic hopes and aspirations through the democratic process. The success of this political and economic revolution has been a source of inspiration and guidance not only throughout this hemisphere but in all parts of the world. In these critical and changing times our revolution, especially in those democratic ideas that motivated and mold mankind, has stirred and encouraged the people in the less developed countries.

In our lifetime the increase in educational opportunities and the improvements in technology and communications have been phenomenal. The United States has been in the forefront of this almost breathtaking technological and educational revolution, in removing the barriers to ignorance and in shrinking the travel time between geographical points.

In this age of rapid, almost instantaneous, communication, which produces an immediate transmission of knowledge and awareness of global conditions, it is obvious that people who are underfed and underprivileged will not be satisfied with their lot and will insist on sharing in the "good life."

Many of the newly developing countries are ex-

panding and improving their educational programs and systems. Since the end of World War II, illiteracy in the Republic of Korea has dropped from 80 percent to less than 7 percent. In recent years the Philippines has expended over 20 percent of its national budget on education. The generating inspiration and effort in such programs of educational development have come from within the less developed countries, but the United States under bilateral projects and through the United Nations has given important assistance to their efforts to increase and improve elementary and higher formal education, technical training, instruction in sanitation and health measures, and teaching of the basic concepts and techniques of the democratic process.

Paul Hoffman, Managing Director of the United Nations Special Fund, recently classified 100 countries and territories as "poor" by any standard of economic analysis. The average per capita income of these communities is roughly \$100 per year, or less than one-twentieth of the per capita income of the United States. The inhabitants of such communities number approximately 1¼ billion, of whom 800 million live in non-Communist Asia, 220 million in Africa, more than 200 million in Latin America, and over 35 million in the Near East. They are in active protest against this desperately low standard of living. They are resolved to reject poverty, illiteracy, chronic ill health, and hopelessness as a way of life. If the populations of Communist Asia are added to this group, we find that more than 2 billion of the less than 3 billion people of the world are stirred by what is aptly called "the revolution of rising expectations."

Since the mid-1950's the Sino-Soviet bloc has

<sup>1</sup> Made before the New England Council for Economic Development at Boston, Mass., on Nov. 17 (press release 648).

intensified its economic and political penetration of the less developed countries. The main instruments of this thrust are bilateral trade and payments agreements, grants in aid, offers of credit, technical assistance, trade fairs, and anti-Western and subversive propaganda. By November 1, 1960, a total of \$4.6 billion in credits and grants for economic and military assistance had been extended by bloc countries to 21 less developed countries on 4 continents. The Soviet Union has provided about \$3.2 billion of these credits and grants and has maintained the dominant role in the aid program.

The employment of economic weapons to support foreign policy objectives is now a well-established and integral part of bloc diplomacy. The basic aims of this offensive by the bloc, which now believes that the essential conditions exist for a successful penetration of the vital areas of Africa, Asia, the Near East, and Latin America, are mainly political. Through expanded trade and harnessing the growing force of nationalism, the bloc hopes to increase its influence and prestige, to impair and reduce Western power and influence, and to disrupt the free-world alliance system.

The remarkable economic progress made in recent years by the bloc is a force to be soberly and realistically considered in this tense and divided world. If these less developed countries conclude that they cannot advance under governmental systems based on personal freedom and the rule of law, they may succumb to the blandishments, attraction, and example of the bloc and take the totalitarian route to their goal.

#### **The Marshall Plan**

About 13½ years ago, at a place only a short distance from this hotel—Harvard University—the United States took a bold and historic step forward when then Secretary of State Marshall proposed the program which bears his name. This new and imaginative initiative, the purpose of which was the reconstruction of a Western Europe torn and scarred by the ravages of war and threatened with engulfment by the rising tide of Communist imperialism, rekindled the faith and hopes of the people of Europe. The drive and drama of this event induced Americans as well as Europeans to a gigantic and effective ac-

tion that has few parallels in history. The material and physical resources of hundreds of millions of free men were mobilized successfully in this task of peaceful reconstruction. The success of the Marshall plan is an eloquent and enduring testimony of what free men can do when their imagination is stimulated and their energies are organized. It would not be an exaggeration to say that our present strength, if not the preservation and continued existence of the free world are among the outstanding results of the Marshall plan.

Since 1947 the United States has expended approximately \$70 billion on foreign aid. Our current annual expenditure for this purpose is about \$4 billion. It should be emphasized, however, that our disbursements have been declining in relation to our capacity, as measured by our gross national product. In the early 1950's mutual security appropriations exceeded 2 percent of our GNP. They are now less than 1 percent.

At first blush, the dollar figures I have cited probably appear astronomical—extravagance and philanthropy gone wild. On the contrary, our foreign aid expenditures are a vital investment in free-world security, stability, freedom, and justice. In the words of Paul Hoffman, who recently declared that "one of the great tasks facing virtually all nations is that of accelerating the pace of their economic growth," assistance to the underdeveloped countries "is not only good morals but good business."

#### **Another Great Initiative**

Gaining wisdom from past experience, we are now engaged in another great initiative. This program seeks to promote the growth and progress of vast underdeveloped areas of the free world in Africa, Asia, the Near East, and Latin America. The success or failure of this effort to assist more than a billion human beings to eradicate the ancient ills of poverty and ignorance will decisively shape the future of this uneasy and harassed planet for centuries to come. The undertaking will be more prolonged, and exertions and sacrifices considerably greater, both physically and materially, than that required for the economic rehabilitation and recovery of Western Europe.

We must seek the alleviation of want and illiteracy in the newly emerging countries if we are to survive as a free people. We cannot hope to



maintain our way of life in a world buffeted by squalor, resentments, and hatred. The less privileged peoples are acutely aware of the gap in living standards between the developed and less developed countries and are fully determined to narrow and eventually to close it. They desire economic growth with the same conviction and passion as the American people desired westward expansion in the last century. The immediate and pressing imperative is to help the less fortunate and underendowed to establish the conditions essential for self-sustaining progress toward a more abundant life.

In his address to the U.N. General Assembly on September 22, 1960,<sup>2</sup> President Eisenhower proposed a major assistance program for Africa and other developing areas. He maintained that, "Such a program could go far to assure the African countries the clear chance at the freedom, domestic tranquillity, and progress they deserve." The President added:

We must carry forward and intensify our programs of assistance for the economic and social development in freedom of other areas, particularly in Latin America, Asia, and the Middle East.

Beyond this, we must never forget that there are hundreds of millions of people, particularly in the less developed parts of the world, suffering from hunger and malnutrition, even though a number of countries, my own included, are producing food in surplus. This paradox should not be allowed to continue.

Shared responsibility must accompany steady and meaningful economic, social, and political progress in the less developed communities. Work and sacrifice are the main ingredients of any effective program. While U.S. assistance is essential to the initial and continuing strides toward progress, the burden must be fairly and realistically distributed, with the recipients providing an optimum of self-help.

Although financial assistance is an important element of our Mutual Security Program, it is only a part of our comprehensive and expanding response to the needs that confront us. The process of growth is both dynamic and demanding. It necessitates the difficult, delicate, and complex task of changing human attitudes and improving human skills. Since human beings constitute the basic resources of development, the principal aim of development must be the fulfillment of their infinitely varied potentialities. For

that reason we place considerable emphasis on our programs of technical cooperation and on efforts to raise the levels of health and education in the less developed parts of the world.

This effort to help provide skills and resources is no longer just an American endeavor. It has become a cooperative venture in which the United States is being joined by the other industrialized nations of the free world. Now that Western Europe has moved from economic recovery to a large measure of prosperity, the expanded capacity of those countries should enable them to participate more fully and vigorously in those cooperative programs to aid the less developed nations.

This improved position does not mean, however, that the United States should abandon its leadership role in this urgent matter. As the wealthiest and most industrialized country in the world today, the United States remains the major single free-world source for the foreign capital which the less developed countries require to supplement their own efforts. We must, therefore, continue to take this lead.

#### **Maintaining the Free World's Defensive Strength**

The challenge of economic growth would be formidable in itself in a world secure from military aggression. Unhappily, however, the free world at present must cope with a situation of military tension not of its own making. Just as the physical security of the United States remains the primary objective of our foreign policy, the protection of the free world against armed aggression and subversion is an essential without which the attempt to construct and reinforce societies and economies would be futile. Consequently, as long as the present threat of aggression persists, it will be necessary to maintain throughout the free world the defensive strength adequate to provide a shield behind which orderly social and economic development will be possible.

The armed strength of the United States and its allies among the major industrialized nations is, of course, the bulwark of the defensive power of the non-Communist world. But the defense of the less developed areas of the world must be a cooperative effort, and certain of our less prosperous allies require assistance in maintaining the military strength which is in our mutual interest. The security of the free world is interdependent.

The United States is spending approximately \$2

<sup>2</sup> BULLETIN of Oct. 10, 1960, p. 551.

billion each year for the operation of its military assistance program. Most of this assistance, in the form of equipment and training, goes to countries in the Near East and Asia which are directly threatened by Communist military power and political domination.

In addition to this program the United States provides defense support of nearly three-quarters of a billion dollars annually to assist the economies of certain countries whose military requirements are greater than their resources will permit. Nine of these countries border directly on the Sino-Soviet bloc; and more than half of these funds go to the Republic of Korea, Taiwan, and Vietnam.

The military burden of the free world is heavy, and it is hoped that the day is not far distant when its resources can be devoted to economic and social rather than military projects. Until such conditions exist, however, realism and security dictate that the free world maintain an adequate defense posture.

An adequate and effective defense posture for the United States entails something more than a powerful military deterrent. An efficacious defense program is total, all-inclusive, combining economic as well as military strength. It embraces a viable and expanding economy, a sound and stable dollar, a secure and realistic balance-of-payments position, and increased foreign trade. The United States is determined to continue those policies and programs essential to the maintenance of confidence in the dollar and to the preservation and enlargement of consolidated economic and military power.

The Communist challenge to the free world is self-evident. We must provide the alternative to the path toward communism. We must accelerate our domestic economic growth and thereby convincingly deflate Soviet propaganda that communism represents the "wave of the future." In so doing we will demonstrate to the peoples of the newly developing nations that their aspirations can best be attained in a free society. We must continue to take a prominent part in facilitating the expansion of world trade. We must work strenuously and unceasingly to find practical solutions to the problems that beset them as a result of price fluctuations in their raw material exports. And, finally, we must continue our financial and technical aid.

This is a formidable and urgent challenge. In a world where freedom is jeopardized, we cannot ignore or minimize it. We should constantly remind ourselves of the contrast between our own prosperity and the poverty gripping so much of the world. Sacrifice, energy, stamina, perseverance, and courage will be necessary. I do not magnify the importance and dimensions of the struggle in which we are engaged. I am confident that we will respond successfully to this challenge.

## Philippine-American Day

White House (Augusta, Ga.) press release dated November 15, 1960

*Following is an exchange of messages between President Eisenhower and President Carlos P. Garcia of the Republic of the Philippines.*

### President Eisenhower to President Garcia

NOVEMBER 15, 1960

DEAR PRESIDENT GARCIA: It gives me great pleasure to reaffirm the close ties between our two countries on this day designated by the late President Magsaysay as Philippine-American Day.

Our two nations share a common heritage. For over six decades we have worked together to create and maintain strong democratic institutions. Our task has not been easy. During the fourth decade we fought side by side to defend our way of life. Now we are challenged by the imperialistic ambitions of a ruthless ideology. It is especially fitting, therefore, that we pause on this day which marks the twenty-fifth anniversary of the inauguration of the Commonwealth of the Philippines to rededicate ourselves to the principles of free government and to reaffirm our conviction that we shall eventually have a world in which all men are brothers, and in which the outstretched hand is not that of a tyrant, but the hand of friendship.

Sincerely,

DWIGHT D. EISENHOWER

### President Garcia to President Eisenhower

NOVEMBER 15, 1960

The President  
The White House  
Washington, D.C.

The Philippine Government has designated November fifteen as Philippine-American Day, primarily as a fitting

reminder to the peoples on both sides of the Pacific of the special ties of friendship that have characterized several decades of intimate and close relationship between the Philippines and the United States of America.

To twenty-seven million Filipinos, this date bears additional significance as it also commemorates the Twenty-Fifth Anniversary of the Philippine Commonwealth, the transition period which preceded the final attainment of Philippine independence and which in the minds of Filipinos was the climax and fruit of many years of special Philippine-American relations.

Let this day, therefore, be the occasion for Filipinos and Americans to jointly reiterate their high goals and noble objectives for continued and lasting friendship based on mutual respect. Let this also be the time for a rededication of our common determination to meet and deter further encroachment by Communist imperialism on our accepted free and democratic way of life.

PRESIDENT CARLOS P. GARCIA

## U.S. and Mexican Presidents Discuss Matters of Bilateral Interest

*Following is the text of a joint communique issued at Ciudad Acuña, Mexico, on October 24 after a meeting between President Eisenhower and President Adolfo López Mateos of Mexico.*

The President of the United States of America, Dwight D. Eisenhower, and the President of Mexico, Adolfo López Mateos, held an informal talk at Ciudad Acuña, Coahuila, on October 24, 1960, during which they examined various matters of bilateral interest to the two countries.

The two Chiefs of State noted, with satisfaction, that the relations between Mexico and the United States continue to develop in an atmosphere of frank and cordial friendship, and agreed that this friendship can and should increase without pause, for the benefit of the two countries.

The Presidents examined again the project for the construction of Amistad Dam, which is complementary to Falcon Dam and which will soon be constructed near the site of the meeting of the two Presidents as the second in the system of international dams provided for in the water treaty of 1944. Amistad Dam will solve problems of great importance for the communities of both sides of the river from Ciudad Acuña and Del Rio, Texas, to and beyond Falcon Dam, serving to con-

trol floods of the Rio Grande, to provide additional waters for irrigation needs, and to permit production of electric power to benefit a number of border communities and industries. In this regard, the Presidents signed a resolution that is being made public separately.<sup>1</sup>

The two Chiefs of State also expressed their complete agreement that the necessary measures be taken to improve facilities for international transit between the two countries as required by the ever increasing international traffic that has been recorded in recent years. They declared that attention must be given to the aspiration of the border communities for the improvement and expansion of their communications, and to the augmenting and modernizing of border services.

The two Presidents again expressed their conviction that economic cooperation between the two countries, as a means of raising the standard of living and of facilitating their better development, continues to be an essential element in their mutual relations. The problems of the exportation of raw materials and the importation of manufactured products were particularly noted since a proper solution of these problems redounds to the mutual benefit and strength of the two economies.

The two Chiefs of State also discussed the agreement that had recently been signed at the Bogotá Conference,<sup>2</sup> and were in agreement that the establishment of the Inter-American Bank and its role in stimulating economic development and promoting social progress constitute favorable and concrete contributions to the raising of the living standards of all the American nations.

President López Mateos extended an invitation to President Eisenhower to make a private visit to Mexico after the close of his administration and at a time to be determined.

Lastly, the two Presidents emphasized the satisfaction they derived from having renewed their contacts and expressed agreement that friendly meetings between Chiefs of State constitute an effective contribution to the cause of international understanding and harmony, which both Chiefs of State wish to see achieved.

<sup>1</sup> For text, see BULLETIN of Nov. 14, 1960, p. 742.

<sup>2</sup> Ibid., Oct. 3, 1960, p. 533.

## Department Releases Information on Arms Buildup in Cuba

Press release 651 dated November 18

*In a note addressed to the Secretary General of the Organization of American States on October 28,<sup>1</sup> the United States Representative to the Council of the Organization of American States, John C. Dreier, stated that the Cuban Government has been receiving substantial quantities of arms from various sources. In response to numerous queries as to the nature of this arms buildup, the Department is making public information on this subject which has been compiled from a number of sources which are considered to be reliable.*

Since Fidel Castro came into power, Cuba has created and armed a military force 10 times the size of that of ex-President Fulgencio Batista and far larger than any army in Latin America.

Added to the arms already held by the 26th of July Movement (approximately 8,000 men) upon Castro's assumption of power, the regime took over materiel sufficient for an army of 25,000 men. These supplies provided a formidable arsenal for the Castro government at its outset. In addition, the Castro regime accepted delivery of consider-

able ammunition contracted for by the Batista government and also sent special missions to Europe for the purpose of purchasing even more war materiel.

Cuban arms purchases include not only sufficient small arms, according to Fidel Castro's own announcement, to equip Cuba's militia, whose numbers now total more than 200,000 persons with late model weapons but also large quantities of heavy equipment of a variety of types.

The tempo of arms deliveries to Cuba has stepped up noticeably since the seventh meeting of foreign ministers in August of this year and Castro's subsequent rejection of the San José resolution,<sup>2</sup> which condemned extracontinental intervention in the affairs of the hemisphere and the acceptance by an American Republic of an extracontinental offer of intervention. Significantly, recent arms shipments to Cuba have originated exclusively in Iron Curtain countries. Spokesmen of the Cuban Government have clearly indicated its intention to continue to depend upon the Sino-Soviet bloc nations, principally the U.S.S.R. and Czechoslovakia, to build their war materiel stocks. The bloc nations apparently desire to contribute to Caribbean tensions by burdening the Cuban economy with excessive arms purchases and by

<sup>1</sup> For text, see BULLETIN of Nov. 14, 1960, p. 747.

<sup>2</sup> For text, see *ibid.*, Sept. 12, 1960, p. 407.

ESTIMATE OF ITEMS INCLUDED IN MILITARY IMPORTS BY CASTRO GOVERNMENT SINCE JANUARY 1, 1959

|   | Soviet bloc sources | Other sources           | Total                   |
|---|---------------------|-------------------------|-------------------------|
| Automatic rifles:                           |                     |                         |                         |
| Czechoslovak . . . . .                      | 45,000              |                         |                         |
| Other types . . . . .                       |                     | 48,000                  |                         |
| Total . . . . .                             |                     |                         | 93,000                  |
| Submachine guns . . . . .                   | 10,000              | 1,000                   | 11,000                  |
| Machine guns (including .50 cal.) . . . . . |                     | 200                     | 200                     |
| Flamethrowers . . . . .                     |                     | 7                       | 7                       |
| Mortars . . . . .                           | 150                 | 104                     | 254                     |
| Tanks . . . . .                             | 40                  | 15                      | 55                      |
| Assault guns . . . . .                      | 10                  |                         | 10                      |
| Armored personnel carriers . . . . .        | 60                  |                         | 60                      |
| Field guns . . . . .                        | 25                  |                         | 25                      |
| Howitzers . . . . .                         | 55                  | 16                      | 71                      |
| Rocket launchers . . . . .                  | 30                  | 70                      | 100                     |
| Antitank guns . . . . .                     | 60                  |                         | 60                      |
| Antiaircraft guns . . . . .                 | 80                  |                         | 80                      |
| Helicopters, Soviet . . . . .               | 10                  |                         | 10                      |
| Mobile radar, Soviet model . . . . .        | 15                  |                         | 15                      |
| MIG aircraft . . . . .                      | 8                   |                         | 8                       |
| Hand grenades . . . . .                     |                     | 20,000                  | 20,000                  |
| Ammunition (rounds):                        |                     |                         |                         |
| Assorted ammunition . . . . .               | 12,000,000 (lbs.)   |                         | 12,000,000 (lbs.)       |
| Rifle . . . . .                             |                     | 44,734,000              | 44,734,000              |
| Machine gun . . . . .                       |                     | 1,000,000               | 1,000,000               |
| Artillery shells . . . . .                  |                     | 43,735 (plus 835 boxes) | 43,735 (plus 835 boxes) |
| Rockets (3.5 inch) . . . . .                |                     | 8,000                   | 8,000                   |



supporting the aggressive policies of the Cuban Prime Minister.

At least 12 Soviet ships have delivered arms and ammunition to Cuba since July of this year, the most recent being the *Psow*, which unloaded approximately 6,000 tons of arms at the port of

Preston, Cuba, on November 7, 1960. Total Soviet bloc arms provided to the Castro government amount to at least 28,000 tons.

Attached is a tabulation of arms and ammunition estimated to have been imported into Cuba since Castro assumed power on January 1, 1959.

## Social Implications of the Act of Bogotá

by Lester D. Mallory

Deputy Assistant Secretary for Inter-American Affairs<sup>1</sup>

I should like to talk today about the vigorous attack on sources of political unrest and on economic underdevelopment in this hemisphere that seems likely to go down in history under the name of the Act of Bogotá. This is the name popularly given the resolution signed on September 12 by the Organization of American States' Special Committee To Study the Formulation of New Measures for Economic Cooperation in Bogotá, Colombia.<sup>2</sup> As happens to all long names, the Committee's has been shortened to the Committee of 21. Actually only 20 Republics took part in the Bogotá deliberations. The Dominican Republic sent no representatives, and only 19 signed because Cuba refused to, for its own reasons.

You may remember that on August 31, 1960, the United States Congress had authorized the appropriation of \$500 million to establish a special inter-American social development fund.<sup>3</sup> Armed with this authorization the United States delegation submitted for the consideration of the Committee of 21 a proposed new program for social development. Latin Americans hailed it as evidence that our Government had adopted a new and positive hemispheric policy, and the other delegations at Bogotá were quick to embrace it. As formalized in the Act of Bogotá it has become the policy of 19 governments of this hemisphere.

The basic purpose of the act is stated in its preface, which recognizes that, if free and democratic institutions are to be preserved in the American Republics, it is urgent to speed up social and economic progress to meet the legitimate aspirations of the peoples for a better life and to provide them the fullest opportunity to improve their status. The preface also recognizes that the American Republics are so interrelated that the progress of each is important to all; that, as economic development programs may have only delayed effect on social welfare, early measures must be taken to cope with the latter; and that the countries concerned must make maximum efforts to help themselves.

The act has four main sections: The first relates to measures for social improvement, the second to the creation of a special fund for social development, the third to measures for economic development, and the fourth to multilateral cooperation for social and economic progress.

Under the heading of social development, measures are recommended for improving rural living conditions and land use. The need is recognized for better laws on land tenure, for greater agricultural credit facilities, for the review of tax systems and fiscal policies to assure equity in taxation and to encourage improved use of land, for land reclamation and resettlement projects, for increasing agricultural productivity, and for building farm-to-market and access roads. Recognition is given to the need to improve housing

<sup>1</sup> Address made before the World Affairs Council at Seattle, Wash., on Oct. 19.

<sup>2</sup> For text, see BULLETIN of Oct. 3, 1960, p. 533.

<sup>3</sup> For background, see *ibid.*, Sept. 5, 1960, p. 367.



and community facilities, to mobilize financial resources, and to expand homebuilding industries.

The United States' willingness to establish a special inter-American fund for social development, to be administered primarily by the Inter-American Development Bank, was announced by our delegation. The act welcomes this decision and spells out that the purpose of the fund would be to contribute capital resources and technical assistance, on flexible terms and conditions, to support efforts by Latin American countries to implement the act's recommendations in the social development field.

Under the heading of measures for economic development, the act expresses the conviction of the Committee of 21 that exceptionally broad, prompt action is needed in the fields of international cooperation and of domestic effort to hasten Latin America's economic development within the framework of Operation Pan America.<sup>4</sup> This plan, sponsored by President Kubitschek of Brazil, envisages public and private financial assistance from capital-exporting countries in America and Western Europe and from the international lending agencies.

So much for the substance of the Act of Bogotá. One aspect of the act, the one I propose to concentrate on this evening, is the "new look" it takes at the hemisphere's problems. I hope it sets off a chain reaction of "new looks," because it is high time that all of us in the hemisphere make a real effort to know and understand each other and each other's problems; that we slough off lazy thinking habits; and that we revise clichés about ourselves and about each other that have long since lost their validity, if they ever had any.

Essentially the Act of Bogotá is an intensely practical mixture of idealism and earthiness. It acknowledges that the maxim "Man cannot live by bread alone" is fully as valid as—perhaps even more pertinent than—the view that the key to the hemisphere's problems lies in hastening economic and industrial development.

#### Mutual Misconceptions in U.S. and Latin America

Who, would you say, injected the idealism and who the earthiness in the Act of Bogotá? The answer cannot be found in the tired old clichés

about the countries and cultures of this hemisphere.

Take our notions about Latin America. To many, perhaps to most, Americans the 20 Republics to the south of us are the lands of "mañana," of siestas, of tangos and rumbas, of exotic customs, of comic-opera revolutions, of chivalrous, impractical "grand gestures" of dreamers and idealists. What is the truth? "Mañana," as often as not, is nothing more than practical application of the axiom that many problems will solve themselves best if they are not tackled in the first heat of emotion. Siestas or long lunch hours do not alter the fact that some of the hardest working, hardest headed businessmen I have ever met are to be found between the Rio Grande and Tierra del Fuego. The local color of the other Republics is window dressing on a par with our own, which looks just as exotic to them. Their revolutions today are far from "comic opera" in mood and meaning. As for impractical grand gestures, they distract attention from something much more basic: the intense realism of the average Latin American, which makes him tend to mistrust pure idealism because experience has told him that fighting windmills is an unproductive occupation.

Now take Latin American clichés about us. They picture the United States as a nation of materialists and robber barons. They think we are dollar mad, motivated only by a thirst for profit and physical comfort. They believe we are totally devoid of culture. They think we are always in a hurry, brush aside all that is fine and sensitive, ignore the underdog, and are arrogant toward our intellectual betters. I can remember, not too many years ago, when we believed so much of this rubbish ourselves that our clubs and luncheon groups used to pay good money to foreign lecturers to tell us just how uncouth we were. We have come a long way, but we are still reluctant to admit the real truth about ourselves.

As a few shrewd foreign observers have discovered, ours is a nation of incorrigible idealists; our hearts bleed for the underdog; we know we have found a way of life that suits us and are anxious to share our findings with the rest of the world; we are thirsty for culture; we are generous to a fault and would like to be appreciated, but we hate to admit this even to ourselves, much as a teenager is afraid some of his finer actions will get

<sup>4</sup> For background, see *ibid.*, June 30, 1958, p. 1090, and Oct. 13, 1958, p. 574.

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him labeled a sissy. We can hardly, therefore, expect the truth about us to be self-evident abroad, when so many interests are bent on perpetuating the belief we are self-seeking tyrants who would enslave all peoples in their own interests.

#### **Idealism and Earthiness in Act of Bogota**

The answer to my question, who injected the idealism, who the earthiness in the Act of Bogotá, if hammered home, may help develop greater understanding and unity of purpose. Here it is.

In the summer of 1958 President Kubitschek of Brazil formulated what has become known as Operation Pan America. Essentially it proposes an integrated, hemispherewide development program that, by combining capital investment, technical aid, and commodity price stabilization, would aim at expanding Latin American economies at a steady 5 or 6 percent a year. Its objective was to make them self-sufficient by the end of the 1970's. The proposal had wide appeal for virtually all countries in Latin America. It was, furthermore, constructive, and it merited and received serious consideration from our Government. Then Fidel Castro proposed in Buenos Aires in April 1959 that the United States ante up to the tune of \$30 billion to \$40 billion over 10 years to underwrite the industrialization and economic development of Latin America. Many of the hemisphere statesmen recognized this to be a highflying propaganda gesture intended to put us on the spot. Nevertheless, feeling ran high before Bogotá that money and economic development were the keys to the hemisphere's problems, and the consensus of our neighboring Republics was that our country could and should shoulder most of the burden.

In the Department of State we had doubts—serious doubts. The number of those in the Department who, like myself, have served long tours of duty in Latin America has multiplied in recent years. Most of us felt, on the basis of our experiences, that any purely economic, any strictly money approach to Latin America's very real and very urgent problems would provide no solid defense against Communist attack from within and without. We all had vivid impressions of the infinite variety of the Latin American character, of the sharp stratification of the social structure in virtually all the countries, and of the sins committed in the past in the name of freedom and democracy. We also recalled that communism has

made its most serious inroads in highly industrialized countries and in countries afflicted with political disintegration. We came to the conclusion—and submitted to the delegates at Bogotá—that the hemisphere's social problems demanded at least as high priority consideration as its economic. To put it another way, we felt certain that the prospect of full stomachs and lots of money in the bank or in the pocket of part of the population is not adequate defense against the Communist lure. This prospect is held out by the Communists, too, like a carrot on a stick.

The task ahead, we concluded, is to prove to the Everyman of this hemisphere that democracy is a vital force; that it can satisfy his material aspirations without sacrificing his spiritual yearnings; that he can have both under a democratic system, progressively but quickly and without giving up his personality, his individuality, or his right to grasp opportunities or to exercise initiative. We must show him that under democracy he can expect a better life within his lifetime. The approach must be positive: Democracy must prove itself a doer of deeds, not a mouther of words.

Our responsibility is exceptionally great. Latin Americans, even those who agreed with us and our thesis at Bogotá, are appalled at the enormity of the task ahead. They wonder—from their past observation of our reactions—whether we may not soon tire of the task, lose heart because it does not progress steadily and uniformly, does not follow directions we consider to be the right directions. In short, they ask themselves whether sooner or later the United States will not abandon Latin America to its fate. Our task, therefore, is not only to provide aid and technicians but leadership with great understanding.

#### **Developments in Latin America**

Let us take a look at the lands to the south of us. They share, in varying degrees, time-honored class traditions which once included mutual respect between classes and definite social disciplines. This whole traditional structure has been crumbling for years and now is collapsing fast, to the consternation of those who have been accustomed to rule, who have long resisted the idea that things would ever change, that old prejudices and interests were not permanent and right, that their aristocracies and oligarchies were not preordained and sacrosanct. Much sympathy is due social groups whose

habits and traditions are threatened; much tact must be exercised if they are to be persuaded that they must take a hand in speeding up social evolution, in order to salvage the best of their traditions from the havoc of revolution. A joint effort is imperative. The pieces of a falling structure must be picked up and the best used to build a new one.

A population explosion is taking place in Latin America. Even more important, there is an explosion of aspirations going on. Villagers who only 10, 20 years ago seemed sleepily content to live along dusty or muddy tracks, without electric lights or running water, without schools, with no hospitals or doctors, have discovered that these things make life more pleasant—and have been assured they have a right to enjoy them. City workers have learned that bricklayers, porters, chauffeurs, washerwomen elsewhere enjoy what to them seem incredible luxuries—cars, refrigerators, travel, education and opportunity for their children. There is a world in a hurry at our door. It is no longer possible to plead, as the older ruling classes have done, that our progress of 200 years cannot possibly be duplicated elsewhere in a shorter time. Either evidence is forthcoming that it will be *soon*, or else.

How is the pace of progress to be speeded up? Any program for doing so must be tailored to meet individual social and geographic conditions, while making certain that equitable rates of improvement are maintained. Certain common denominators apply to most Latin American governments. Throughout most of the area economic development has lagged behind the rate of population growth. Old-fashioned production methods and ownership systems have hampered agriculture. Sharp drops in world prices have seriously affected the economies of one-crop countries. Politicians as a rule have dodged enacting and enforcing new income and property taxes. Yet even these common problems have special local aspects, and in recent years differences have multiplied. From country to country and between social and geographical sectors within countries, patterns of development have varied unpredictably and caused serious dislocations. Cities and towns have mushroomed, some rural areas have thrived, others have fallen badly behind. Former sources of riches have become drains on

the market. Lack of capital or know-how has prevented potential new sources from being properly exploited.

#### Limitations of Term "Latin America"

The need, then, is to become and to remain acutely conscious of the complexity as well as of the urgency of the problem. Let me come back to the subject of clichés we must discard. We have long been in the habit of talking about "Latin America"—"Latin American policy," "the Latin American problem," "solution to the Latin American problem." If we must keep on using the term "Latin American"—and, by force of habit, we probably shall—let us at least be keenly aware of its limitations. As a geographic term, it is deceptive. As applied to cultures, emotions, or political, social, and economic conditions, it is dangerously misleading. Let me illustrate:

Haiti is predominantly Negro racially, and its language is French. Brazil is a vast racial, climatic, and cultural mosaic, held together by tremendous national pride and confidence in the nation's future. Its language is Portuguese. Uruguay, Chile, and Argentina are, racially, predominantly of European origin. Their political, economic, and social development has been influenced—to varying degrees in each case—by heavy immigration from non-Spanish countries, although Spain gave all three their language and their social, legal, and cultural framework, as England gave us ours. Bolivia, Peru, Chile, and Guatemala have large Indian populations that have clung to their own languages, customs, and traditions—all different not only from country to country but from valley to valley. The presence of millions of unassimilated Indians has produced and perpetuated social and economic stratifications inconceivable to us. Even small geographic areas provide sharp contrasts: tiny El Salvador is densely populated, while its much larger next-door neighbor, Honduras, is sparsely populated.

The pattern of political evolution runs the scale. The severest form of dictatorship survives in the Dominican Republic. In Mexico and Uruguay social revolutions took place before communism became militant on a worldwide scale, and their revolutions were able to consolidate and mature without pernicious foreign interference.

Guatemala suffered and is still trying to recover from the emotional shock of an abrupt political change that was perverted to serve Communist ends. In Cuba the hopes and dreams of a people are being forcibly diverted to serve Sino-Soviet imperialist designs. In many of the Republics feudalism has survived to a greater or lesser extent, and its appeal remains strong for still-influential political and economic sectors.

Here is another catch phrase, another cliché: "Banana Republics." How many people who hardly remember O. Henry still use it and apply it half jokingly, half sneeringly to all Central America. It is a misnomer in most cases. Bananas in recent years have accounted for barely 8 percent of Guatemala's exports, and the world's biggest banana producer today is not in Central America at all but on the west coast of South America. It is Ecuador.

I have mentioned the cliché about "comic-opera revolutions." Let me return to it and emphasize how dangerous it would be to keep on shrugging off Latin American political revolts as "comic opera" or even as "just blowing off steam." The days of the coup d'état, of the military uprising, of the palace revolution that replaces one group of "haves" with another, have faded fast. The trend in recent years has been toward institutionalism, toward orderly succession in office. Any new swing away from this trend would probably reflect dissatisfaction with processes that have been labeled democratic, would be a danger signal that political disintegration, on which communism thrives and capitalizes, has set in.

Perhaps the most dangerous of all clichés is peculiarly our own. I must admit to a fondness for it because it reflects my own feelings, as I am sure it does yours. It is our assumption that the United States is "God's country" and that the American way of life is the one and only. We are right, for ourselves and, let us hope, for our descendants for many generations. Let us remain fiercely proud on the subject. But at the same time let us not be arrogant, and let us remember that what is good for us is not necessarily good for another man.

If we are to help our Latin American neighbors to implement the Act of Bogotá, we must discard any notion that ours is the only true democracy and that to achieve a physically and morally satis-

fying way of life others must do as we have done. We can rightly shudder to hear totalitarian countries call their regimes democratic, because they do not and cannot reflect the will of the people. Let us remember, however, that democracy means the free expression and exercise of a nation's people. What people want and consider good depends on their racial and cultural heritage. That is why there are, all over the world, so many different concepts of law, of justice, of liberty, and of all the other abstract values. Travelers are perpetually being shocked by these differences. Yet what needs to be done is to recognize and respect these differences, to learn what pattern of life is most natural and desirable in each country and how best to help its inhabitants achieve it.

Understanding must be fostered on both sides. Our Latin neighbors should learn, for example, that the profit motive, with us, is not an end in itself but is a social mainspring that leads us to expect improving conditions (spiritual as well as material) in return for more and better services rendered. We on the other hand should not look on less technically developed nations as inefficient or incompetent; we should learn to respect ways of life based on different premises of what is desirable or ideal.

#### **Anti-Americanism in Latin America**

This brings me around to the subject of anti-Americanism. Evidences of it in Latin America have shocked us in recent years, and I warn you they cannot be dismissed as the result of able propaganda by Communists and demagogues.

Anti-Americanism is not a new phenomenon. In Latin America it is a state of mind that can claim to have got its start as far back as the power struggle between Elizabeth I of England and Philip II of Spain, in the days when the wars of religion divided Christendom into Protestant and Roman Catholic camps. Nevertheless, it is not, I am convinced, an inevitable fact of life, like death and taxes. It is something we can and should face up to and try to correct. We might begin by not getting jittery over the fact it exists in countries we want to be our friends and by trying to understand what it involves.

As a nation we have been able to develop a way of life to our average taste over 300 years. Nearly 200 years ago we too had a revolution to defend



our right to mature in our chosen way. World events made it possible for our forefathers to bring it to a relatively quick end and to get down to the business of consolidating our American way of life. Later we had our Civil War, and much later the self-examination and reorganization of the 1930's. Yet, over the long stretch, our country has progressed steadily toward a logical, if constantly evolving, ideal. Many nations, perhaps most, have been less lucky about developing a way of life to the average taste of their populations.

Latin American "revolutionary wars" lasted much longer than our own. Furthermore, most were undertaken by and for small, socially elite classes whose concern with the welfare of the bulk of the population was, at best, paternalistic. These elites, or their later-day counterparts, perpetuated static patterns of life and social structures. For many generations the bulk of the people, the Latin American Everyman, accepted the state of things, and political and social evolution in most Latin American countries was, by our standards, very slow. In our day, however, the question has been asked: Is the state of things right or inevitable?

By the middle of the 19th century our pattern of behavior and our standards had developed tremendous vitality and momentum, so much that they spilled over our national borders. We had acquired a pride of achievement that sometimes reached messianic proportions. We tended to look down on slower paced cultures. We were often brash, sometimes highhanded and as irritating as an older brother who thinks he has grown up and that the world is his oyster. We jarred the highly priced dignity and the touchiness of Latin America's ruling classes. Some of our nationals acted like "robber barons" long after that kind of behavior had gone out of style in the United States. Early in this century our Government indulged in military interventions, particularly in the Caribbean area, that have never been forgotten or allowed to be.

#### Differences in U.S. and Latin Cultures

A clash between our culture and that of Latin America was perhaps inevitable. Our outlooks, habits, and sets of values were rooted in the relatively small area—the British Isles and northwest Europe—from which our original national

stock had sprung. Some of its ingredients are relish for work, eagerness to explore by trial and error, inquisitiveness, and willingness to accept without rebelling certain discomforts and hardships when we feel they lead to desired objectives. Other ingredients are adventurousness in fields involving more than physical endeavor or courage, acquisitiveness for the sake of self-improvement and greater comfort, and an urge to share achievements with our fellows.

Such attributes are not a common human heritage but historical developments. What is good or bad, right or wrong, moral or immoral, beautiful or ugly, depends on the point of view as it develops from past experience and environment. Our pattern of life, therefore, was alien to our hemisphere neighbors. Many of its end-products look desirable to them, but their different basic values and their inbred prejudices limit their ability to duplicate them. Persons bred in the tradition of Spanish gentlemanliness could only find distasteful our admiration and advocacy of persistent work—even manual labor—of thrift, of risk investment, of corporative organization.

Anti-Americanism (perhaps, more correctly, anti-Anglo-Saxon feelings—because the British have also suffered from it) is based on a clash of traditions: on conflict between admiration for the results of our system and repugnance for the qualities needed to achieve it; on the incompatibility of wanting to share in our achievements and of being ashamed to have, often, to receive them as a gift.

The cultures of the United States and of Latin America have clashed most strongly at the level of the older upper classes that cherished Old World traditions. Their influence has been on the wane in the last two generations, and their members today tend more and more to recognize that change is inevitable if not entirely desirable. Throughout Latin America the old upper classes have made way for the new with whom the aristocratic, the "Spanish Don," tradition is less strong and to whom American ways and standards are therefore less repugnant. In most cases, however, they have been no more inclined than the old aristocracies to speed social and economic change—except, of course, during college days, when it is almost universally fashionable in Latin countries to be "radical." They have won and want to cling to power.



In all the countries a third social sector has always existed, the bulk of the population—the Everyman I have been talking about. For a long time he was only nominally a part of the nation. Recently, he has awakened, and everywhere his likes are feeling for new social patterns. What these will be will be determined largely by social and economic conditions. If the Act of Bogotá is implemented quickly, intelligently, and with self-evident good will, the democratic concept of the dignity of the human individual will prevail in the hemisphere. If it is not, the third social sector will look to Communist totalitarianism and to its assurances it can satisfy material needs.

At Bogotá a flexible program has been launched for fulfilling—not only for raising—the people's hopes. It recognizes that all must put into it what they can, in the measure of their capacities: the worker helping to build his own and his neighbor's houses, each community matching efforts with the next higher level in government, all citizens exhibiting civic spirit and pride, and each nation serving the interests of all its people and the ideal of liberty.

## Human Rights Week, 1960

### A PROCLAMATION<sup>1</sup>

WHEREAS December 15, 1960, marks the one hundred and sixty-ninth anniversary of the adoption of the first ten amendments to the Constitution of the United States, which are known as the Bill of Rights; and

WHEREAS December 10, 1960, marks the twelfth anniversary of the adoption by the General Assembly of the United Nations of the Universal Declaration of Human Rights; and

WHEREAS people in many parts of the world will be observing this anniversary for the first time as citizens of newly independent nations; and

WHEREAS the Universal Declaration of Human Rights gives voice to the aspirations of all peoples for equality under God and for their rights and responsibilities in self-governing societies; and

WHEREAS our Bill of Rights is one of the sources of the Universal Declaration of Human Rights and is reflected in many of its provisions:

NOW, THEREFORE, I, DWIGHT D. EISENHOWER, President of the United States of America, do hereby proclaim the period from December 10 to December 17, 1960, as Human Rights Week, to the end that we may rededicate ourselves to the full achievement of the objectives set forth by our Bill of Rights and to the support of the United Nations'

objectives of peace and human rights for all, without distinction as to race, sex, language, or religion.

Let each of us examine his conscience, so that we may be more sensitive to the needs and worth of every individual. Let us remember that it is only through free and responsible efforts that humanity can make lasting progress toward the goal of peace with justice, and let us direct our actions so as to encourage these efforts in every country by strengthening their foundations in our own.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this twelfth day of November in the year of our Lord nineteen

[SEAL] hundred and sixty, and of the Independence of the United States of America the one hundred and eighty-fifth.

*Dwight D. Eisenhower*

By the President:

CHRISTIAN A. HEETER,  
Secretary of State.

## U.S. and India Observe Anniversary of Educational Exchange Program

The Department of State announced on November 16 (press release 645) that Prime Minister Nehru had on that day opened a 3-day conference at New Delhi commemorating the 10th anniversary of the educational exchange program between the United States and India under the Fulbright Act. The conference, sponsored by the U.S. Educational Foundation in India, a binational organization which plans and administers the program overseas, is being attended by several hundred of the Indian scholars, teachers, and students who have visited the United States under the exchange program during the past decade.

American guests attending the anniversary celebrations include Ambassador Ellsworth Bunker and Robert G. Storey, former dean of the Southern Methodist University School of Law and present Chairman of the Board of Foreign Scholarships, which supervises all programs under the Fulbright Act.

During the last 10 years, 988 citizens of India have come to the United States and 346 American citizens have traveled to India under the exchange program authorized by the Fulbright Act. At present the United States carries on educational exchange programs under this act with 39 countries.

<sup>1</sup>No. 3381; 25 Fed. Reg. 10864.

## President Outlines Steps To Improve U.S. Balance-of-Payments Position

*Following is the text of a directive by President Eisenhower concerning steps to be taken with respect to the U.S. balance of payments.*

White House (Augusta, Ga.) press release dated November 16, for release November 17

The United States following World War II initiated and continued, through the Marshall Plan and other programs, an unprecedented series of moves calculated to help rebuild the war-devastated nations of Europe and Asia.

During the years of rebuilding, the United States, through various means, placed dollars in the hands of these other nations so that they might be able, in the processes of their rebuilding, to buy the services and goods which, in the period immediately after the war, only the United States could provide.

We fully recognized that these nations would need to increase their exports in order to eliminate their dependence on the United States and that this would involve competition with United States exports in world markets.

The effects of these policies on our balance of payments began to make themselves felt ever since about 1950 and have resulted in moderate balance of payments deficits in every year except 1957 because of the Suez crisis. It is just about two years ago that the full impact of restoration and rebuilding of the European economies, as well as that of Japan, became apparent with almost dramatic suddenness. These once war-devastated nations have now become fully competitive with the United States in the markets of the free world.

The United States has also bolstered the military security of friendly nations so as to contribute to our mutual security and to deter threats of external aggression. The programs through which these aims are carried out have likewise resulted in providing a flow of dollars abroad, largely as a result of the maintenance of our forces in foreign countries.

At the same time the United States has undertaken substantial efforts in aiding the economic progress of the developing countries in an effort to create the economic conditions for lasting peace throughout the world. To the extent that these

programs do not increase exports of United States goods and services, they too lead to an outflow of dollars to the competing nations in Europe and Japan.

### The Balance of Payments Problem

As a result of the above and other factors the United States has been facing continuous deficits in its balance of payments. In the last three years a total of about \$10 billion more has been paid out than has been received. The resulting deficits are settled by sizeable outflows of gold and increases in our dollar liabilities. A substantial part of our deficit has been settled in gold, resulting in a decline of about \$4½ billion in the Treasury gold stock since the end of 1957.

### What Has Been Done About the Problem

The Administration early recognized this problem, as have the financial institutions of the free world. The government has been giving close attention to it, and has been developing and putting into effect policies to help improve the balance of payments and to maintain confidence in the dollar.

Here at home, we have consistently endeavored to conduct our domestic financial and fiscal policies prudently—realizing that such policies are essential to the economic soundness not only of the United States but of the free world. We have brought inflation substantially to a halt and achieved surpluses in our Federal budget.

Without this firm display of fiscal prudence we could not hope to achieve price stability, and without reasonable price stability and freedom from the pernicious effects of inflation, we could not avoid a reduction in our exports or hope to continue to enjoy the confidence required by our role as a banker for the world.

On the international side, we have taken a number of steps designed to lessen the imbalance in our payments position with the rest of the world. In order to ensure continued progress and develop new methods to improve the balance of payments position, I approved a Cabinet decision last year directing that the Secretary of the Treasury, as Chairman of the National Advisory Council on International Monetary and Financial Problems, take the necessary steps to develop and coordinate actions of the departments and agencies con-

cerned in the balance of payments area. As a result of this coordination and of other activities we have, for example, continued to press for the removal of trade barriers erected by other countries against the sale of American goods. We conceived and sponsored the establishment of the International Development Association<sup>1</sup> as an adjunct of the World Bank, through which other countries will share with us the burden of assisting the newly developing countries. We have also taken the leadership in the establishment of the Development Assistance Group,<sup>2</sup> another mechanism through which we are urging other economically advanced countries to assume a larger share in aiding the newly developing areas of the world. We have put into effect an export financing and guaranty program to encourage the export of United States commodities.<sup>3</sup> And the Development Loan Fund changed its policy in October 1959 so as to place primary emphasis on the financing of goods and services of United States origin.<sup>4</sup>

#### Why More Must Be Done

Had not the sound measures which I have mentioned been taken, our balance of payments problem would today be even more serious than it now is. But in spite of the progress made, there is much left to be done.

It is true we have had a significant and heartening improvement in our merchandise exports during the current year. In 1959 our merchandise trade surplus reached a post-war low of about \$1 billion, whereas this year we may reach an annual rate of over \$4 billion. If we exclude payments made on account of our military expenditures abroad, in 1959 our export surplus of goods and services reached a low of \$3 billion, whereas this year we may reach a surplus on the same basis of about \$6.5 billion. However, we are paying out for our military expenditures abroad, governmental programs of economic assistance, private long-term capital investments abroad, and acquisitions of short-term foreign assets at a rate of about \$8.5 billion a year. Even after netting against this figure for our

export surplus of goods and services of nearly \$6.5 billion, we have an excess of out-payments in these accounts of about \$2 billion.

Moreover, because of the net movements in other items, we are facing an even larger over-all balance of payments deficit, which is running currently at the rate of over \$3 billion a year and which may turn out to be not far short of the 1959 deficit of nearly \$4 billion. This has resulted in an accumulation of gold and liquid dollar balances, largely by the industrialized countries.

This year we have had a large outward movement of short-term capital due in part to higher interest rates and to limited availability of capital in the other industrialized countries. This movement has been an important factor in our over-all deficit. The amount and direction of the ebb and flow of funds of this character are impossible to predict, but it is clear that generally speaking we can expect international capital movements on a larger scale than in earlier post-war years. The recent volume of such capital movements, and the large purchases of gold by foreign monetary authorities in the last four months, make it imperative that we intensify our efforts to effect further improvement in our balance of payments.

The problem relates not only to the Federal Government, but also to private citizens concerned with our international trade. Therefore, the increase of our commercial exports must continue to be the object of an intensified and cooperative campaign by public and private groups. But since we face competitive conditions in the world that make it difficult to rely solely on an expansion of our cash receipts from exports, we must include in our efforts a reduction in certain governmental payments of dollars to foreign countries.

A definite improvement in our balance of payments situation is mandatory not only to insure our economic well-being and military security here at home but also to insure that the United States can continue as a strong partner in the future economic growth and military strength of the free world. We seek this improvement within policies which will not diminish our military strength, will not impair our international economic programs, and will enable us to continue to pursue our objectives of a higher level of world trade and the free flow of funds connected therewith.

The United States currency system serves a double purpose. It meets our domestic needs, and the dollar has also become an essential cornerstone

<sup>1</sup>For background, see BULLETIN of Oct. 17, 1960, p. 617.

<sup>2</sup>For background, see *ibid.*, Oct. 24, 1960, p. 645.

<sup>3</sup>*Ibid.*, Apr. 11, 1960, p. 560.

<sup>4</sup>*Ibid.*, Nov. 16, 1959, p. 708.

in the international financial system of the free world. It is, therefore, imperative that the United States give the very highest priority to attaining a reasonable equilibrium in its international balance of payments.

To this end, we must take all those steps in the sphere of United States governmental activity that will immediately contribute to reducing the deficit in our international payments. In addition, we need to carry on and intensify those governmental policies which will contribute to this objective over a longer period, including the following:

1. In the field of international trade, we must:

(a) Continue to press other countries urgently, and particularly those that are economically and financially strong, to reduce tariffs, relax quotas, and remove trade restrictions that hamper United States exports, and also urge these countries to reduce or eliminate internal taxes and other measures that have a special impact in curtailing their purchases of United States goods and services.

(b) Continue to take all reasonable means to increase our exports, including facilitating the financing of exports where this is needed to increase our sales both of consumer goods and capital goods.

2. In the field of international finance, we must:

(a) Insist that our friends and allies accept their full share of the costs of maintaining the security of the free world.

(b) Continue urgently to insist that the other economically advanced countries of the free world increase their share of the *long-term*, truly developmental type of financing extended to the developing countries.

(c) Urge international institutions to use as fully as possible currencies other than dollars available to them, whenever and wherever possible.

(d) Encourage the other strong countries to permit the borrowing by these institutions and by other borrowers in their capital markets where appropriate.

(e) Continue to review all phases of our governmental operations, both at home and abroad, in order to minimize the balance of payments effects of these operations.

3. Equally important are policies relating to our domestic economy. In this area, we must:

(a) Continue to implement fiscal, financial, monetary and debt management policies of the

Government and the Federal Reserve System designed to avoid inflation in the United States.

(b) Continue to recommend to both management and labor that they take all reasonable steps to insure the competitiveness of United States-produced goods in the export market, and actively pursue opportunities in those markets.

While these and other policies and procedures are undergoing critical examination, there are certain measures which, I believe, can and should be taken now by administrative action and, accordingly, I direct the following:

1. Without diminishing our effective military strength and recognizing that the actions below may involve a budgetary adjustment, the Secretary of Defense shall:

(a) Reduce and thereafter limit the number of dependents abroad of military and civilian personnel to a total of not more than 200,000 at any one time, which total shall be subject to annual review by the President. This reduction shall be accomplished at the rate of not less than 15,000 per month commencing January 1, 1961, pursuant to such rules and regulations as the Secretary may prescribe and shall, to the maximum extent feasible, apply to dependents located in the highly industrialized countries with strong currencies. Exceptions to the foregoing limitations shall require the personal authorization of the Secretary or Deputy Secretary of Defense.

(b) Take promptly all possible steps to reduce by a very substantial amount the expenditures, from funds appropriated to the military services and for the military assistance program, that are planned for procurement abroad during calendar year 1961, by establishing a minimum amount by which such procurement shall be reduced.

(c) Prohibit the purchase of foreign goods by the non-appropriated fund activities related to the military services, except where exceptions to this prohibition are made under the personal authorization of the Secretary or Deputy Secretary of Defense.

2. The Secretary of the Treasury shall:

Take for the United States Coast Guard the same measures as set forth under Section 1, (a), (b) and (c) above.

3. The Secretary of State shall:

(a) Instruct the Director of the International Cooperation Administration, a United States foreign aid agency utilizing public funds, to adopt



a policy which will place primary emphasis on financing goods and services of United States origin in all of its activities. In addition, a ceiling shall be placed on operations which do not finance direct procurement of United States goods and services, and efforts shall be made to minimize the balance of payments effect of these operations. The amount of commodities now being purchased abroad with ICA funds shall be reduced to the lowest possible figure. It is recognized that such a reduction, by maximizing procurement with United States foreign aid funds of United States goods and services, may involve budgetary adjustments.

(b) Together with the other agencies concerned review the area of United States trade relations and negotiations with a view to improving the current receipts of the United States from sales abroad. Particular attention shall be directed to maximizing tariff concessions by foreign countries under current tariff negotiations and assuring that these concessions as well as previous concessions granted to the United States are made fully effective to the benefit of American exports. Even where no formal commitment is involved, the economically strong countries shall be urged to continue dismantling their quantitative restrictions, reducing excessive tariffs, and eliminating discriminatory measures and other impediments to increased exports of United States goods and services, especially United States agricultural products. Further, increased efforts shall be made to urge foreign countries to extend more liberal treatment to their nationals in order to encourage travel by them in the United States in the same way that the United States has encouraged travel abroad by United States citizens, including significant duty-free allowances for returning tourists.

(c) Take effective steps to prohibit the purchase of foreign goods by commissaries and stores operated under the auspices of the Department of State or American Embassies, except where exceptions are made under the personal authorization of the Secretary or Under Secretary of State.

4. The Secretary of Agriculture shall:

In pursuing sales under surplus disposal and other concessional programs, including barter, make an increased effort to insure that such sales do not reduce cash dollar sales of United States products.

5. The Board of Directors of the Development Loan Fund as an agency providing foreign development loans with public funds shall:

Vigorously pursue the Development Loan Fund policy of October 1959 of placing primary emphasis on financing goods and services of United States origin. To the end of reducing other financing to the lowest possible figure a ceiling should be placed on Development Loan Fund operations which do not finance direct procurement of United States goods and services, and efforts shall be made to minimize the balance of payments effect on these operations.

6. The heads of all Departments and Agencies which have personnel stationed abroad shall take all measures to make reductions in personnel and dependents stationed abroad when such reduction can be accomplished without impairing the fulfillment of essential United States policy objectives. Similarly, all Departments and Agencies engaging in procurement abroad shall review their operations with a view to taking steps wherever feasible to reduce such procurement.

7. Each officer referred to above and each Department and Agency head to whom paragraph 6 above applies shall submit reports to me not later than December 15, 1960, specifying the steps taken to comply with the directives set forth herein. In addition, the above-named officers and such others as are appropriate shall meet to consider the balance of payments position and to determine whether additional measures should be taken; such meetings to be continued under the Chairmanship of the Secretary of the Treasury and within the framework of the National Advisory Council on International Monetary and Financial Problems.

DWIGHT D. EISENHOWER

## **U.S. Restores Most-Favored-Nation Status to Poland**

White House (Augusta, Ga.) press release dated November 17

### **White House Announcement**

The President has restored the application to imports from Poland of rates of duty no less favorable than accorded to other countries. This termination of the 1952 suspension of such treatment represents a further advance in the development of economic relations between the United



States and Poland. The President's decision, effective December 16, 1960, is stated in a letter to the Secretary of the Treasury.

#### President's Letter to Secretary Anderson

NOVEMBER 16, 1960

DEAR MR. SECRETARY: I refer you to Part I of Proclamation No. 2935 of August 1, 1951<sup>1</sup> carrying out sections 5 and 11 of the Trade Agreements Extension Act of 1951 and to the first paragraph of the President's letter of January 17, 1953 to the Secretary of the Treasury.<sup>2</sup>

I hereby notify you that the suspension there provided shall cease to be applicable to imports from Poland and areas under the provisional administration of Poland which are entered, or withdrawn from warehouse, for consumption on and after December 16, 1960.

Sincerely,

DWIGHT D. EISENHOWER

The Honorable ROBERT B. ANDERSON  
*The Secretary of the Treasury*  
*Washington, D.C.*

#### U.S. and German Officials To Hold Financial Discussions

*Following is the text of a statement made on November 15 by Secretary of the Treasury Robert B. Anderson after a meeting with President Eisenhower at Augusta, Ga., at which Secretary of Defense Thomas S. Gates, Jr., was also present, together with a Department announcement concerning the delegation which will accompany Secretary Anderson and Under Secretary of State Douglas Dillon to Bonn for financial discussions.*

#### STATEMENT BY SECRETARY ANDERSON

White House (Augusta, Ga.) press release dated November 15

President Eisenhower and I have been going over the main details of the United States mission to Bonn, on which I will be accompanied by Under Secretary of State Dillon.

The President has instructed me to pursue with Chancellor Adenauer and other representatives of the German Republic matters of mutual interest

in the international financial field, including the cost of United States troops in West Germany and assistance to developing countries.

President Eisenhower has asked me to convey his warmest personal greetings to Chancellor Adenauer, as well as his personal hopes that our talks will result in even greater understanding and mutually beneficial results in the interest of the strength of the free world.

We expect to leave for Bonn this weekend and visit with German officials Monday and Tuesday and possibly Wednesday. We expect to take advantage of the opportunity to visit with United States and possibly some French and British authorities on a completely informal basis in 1-day stops in Paris and London on the way home.

It is well known that, despite governmental steps taken over recent years, the United States continues to run a heavy deficit in its international balance of payments. Last year this amounted to \$3.8 billion; the year before it totaled \$3.4 billion. The deficit for 1960 now looks as if it could possibly approach last year's figures. Obviously improvement in our balance-of-payments position is vital not only for the economic well-being and the military security of the United States but also for the free world.

At today's meeting with President Eisenhower, there was a general discussion of a paper which the President will issue shortly.<sup>1</sup> The paper will present a general review of our balance-of-payments position and will outline various aspects of efforts that must continue to be examined in order to effectuate improvements. It will contain directives to Government departments and agencies for action which they can take within the sphere of United States governmental activity to contribute to a reduction of the deficit in our balance of payments.

#### DEPARTMENT ANNOUNCEMENT

Press release 650 dated November 18

The Department of State announced on November 18 (press release 650) that Robert B. Anderson, Secretary of the Treasury, and Douglas Dillon, Under Secretary of State, will leave Washington on November 19 for Bonn, where they will discuss matters of mutual interest with Chancellor Konrad Adenauer and other German Federal Re-

<sup>1</sup> For text, see BULLETIN of Aug. 20, 1951, p. 291.

<sup>2</sup> For text, see *ibid.*, Feb. 9, 1953, p. 219.

<sup>1</sup> See p. 860.

public officials. They will be accompanied by John N. Irwin II, Assistant Secretary of Defense for International Security Affairs.

Following the Bonn discussions the party will visit Paris, November 23-25, and London, November 25-26, for conversations with Government officials and U.S. representatives.

Other members of the delegation from the Department of State include:

John M. Leddy, Special Assistant to the Under Secretary  
Charles A. Sullivan, Special Assistant to the Under Secretary

Theodore L. Eliot, Jr., Special Assistant to the Under Secretary

Dixon Donnelley, Special Assistant to the Under Secretary

C. Arthur Borg, Executive Secretariat

Dorothy S. de Borchgrave, Assistant to the Under Secretary

Eva Hallam, secretary

## Some Considerations Involved in National Policies Relating to Petroleum

by C. W. Nichols<sup>1</sup>

National policies attempt to reflect the whole public interest in all of our objectives, domestic and international. These policies develop in a complex of considerations which combine our strategic, economic, political, and social interests. All of our objectives and interests have to be assigned weight in national policies. The overall emphasis, of course, is the well-being of the country as a whole, in security, justice, and freedom. The interest of the whole takes precedence over that of any particular part. National policies must give consideration to longer run effects and repercussions as well as to the immediate situation.

Our national policies are designed to encourage exploration and production and adequate domestic reserves of petroleum in the United States. A strong petroleum industry which is progressive, competitive, and self-supporting enhances very materially the well-being of the country, even apart from considerations of national security. In fact, of course, these national policies relating to petroleum, including the import control program, have been developed to the extent that they have as a result of further and explicit emphasis

on the relationship of petroleum to national security.

The importance of petroleum and a recognition of that importance are not unique to the United States. The well-being and security of people in most countries are substantially affected by the petroleum situation and their national relationship to it. Other governments as well as our own, in fact all governments, are concerned with the security and progress of their people from the standpoint of petroleum.

A healthy petroleum industry is a consideration of major national interest in many foreign countries, as it is in the United States. The importance of petroleum is not confined to the producing or exporting countries. Importing countries, such as those in Western Europe, put great stress—on economic and security grounds—upon the assurance of an adequate, uninterrupted supply. Looking around the world we see that oil is important almost everywhere to economic and social development and political stability. The world petroleum situation affects the strength of many governments with which our Government has friendly, cooperative relations. It is a significant factor in the international orientation of some foreign countries and can have a considerable bearing on their capacity for independence.

Many of these other countries which are also

<sup>1</sup> Address made before the Independent Petroleum Association of America at Dallas, Tex., on Oct 24. Mr. Nichols is Special Assistant to the Assistant Secretary for Economic Affairs.

vitality concerned with petroleum, either as exporters or importers, are allies of the United States or strategically important to the security interests of the United States in other ways.

### **Impact of Petroleum Policies**

The petroleum policies and actions of one country, especially if it is a large factor in the world situation, can affect the interests and problems of other countries, with a corresponding impact on international relations. A situation of this kind can become a very conspicuous or even a predominant element in U.S. relations with the country or countries involved. From the standpoint of U.S. national security, such developments in international relations cannot be a matter of indifference to us. The policies and actions of other countries can affect U.S. national interests and vice versa. Cohesion of the free world, and friends and allies with vigorous economies, are important to the security of the United States.

Considerations of national security involve the vitality of the U.S. economy as a whole and that of many other countries. The United States has broad policies of fostering international trade and other mutually advantageous relations with friendly countries. Progressive application of these policies in an effective and reciprocal manner can contribute to the national security of the United States. The economic strength of the free world is basic to its capacity for resisting aggression. The security of our allies is important to our security.

Our security interests would be damaged by an extension of Soviet influence among uncommitted nations. Resistance to such Soviet penetration requires the support—diplomatic, economic, and military—of Allied countries throughout the world.

For the United States to stand alone, encircled closely by menaces to its security, would be an extremity far too precarious to be adopted voluntarily as a concept of national security. In our own interest, the concept of U.S. security must extend beyond our national territory, the farther the better, encompassing many allies which the United States has—and needs—and wants. Security in a meaningful sense is obtainable only within a framework of collective security. Collective security requires a positive approach to international relations in peace as well as in war.

### **Planning for Security**

There are many aspects of our national security problem and many elements in our total security situation, not all of which are served by any single type of measure. Governmental actions taken to strengthen security in one respect may complicate the problem of security from other standpoints. Planning for security would be simpler and more satisfying if only one type of hazard or emergency had to be considered. This is clearly not the nature of the world situation.

The security of the Nation is a broad concept, a compelling consideration. This is the foremost obligation of citizenship. It is a trust and a duty of too high an order for the subject to be invoked lightly or loosely.

The Nation is willing to make a tremendous effort for reasonable security. Recognition of this general objective and adoption of broad policies do not automatically accomplish the purpose. Hard decisions have to be made in precise terms on questions of exactly how far to go and in what direction. These require a very difficult exercise of judgment. Americans are agreed on the goal, but it is not to be expected that all would agree on the details of every related decision that has to be made in moving toward it. The people and the Government of the United States are giving these security problems foremost attention. We know that we are faced with difficult and complicated problems. The dangers are real and multiple.

Our security problems are certainly not confined to the field of petroleum, important as those petroleum issues are. Somewhat similar issues confront us in the whole field of defense. Our country and other countries are making very heavy outlays for armaments, but the world is obviously not obtaining from this effort any sufficient sense of the security being sought. Is the need for more armament—or less? If more, how much more, and what types? If less, on what terms?

### **Need for a Vigorous General Economy**

Absolute security is not obtainable. A high degree of security is sought, at a cost which is necessarily large, but concern with these costs is a constant consideration.

Our existing programs of national security add up to a very heavy burden and drain on the econ-

omy. The costs of some security measures show up plainly in the Federal budget. Other costs of security programs show up only in the private accounting of producers and consumers, separately from the Federal budget. This, however, does not mean that those other programs are without cost or that the burden of their costs is unimportant. Indeed, there is a danger that the costs of some security programs might not be as clearly recognized or as objectively reviewed from the standpoint of the national interest as would be the case if a full accounting of them appeared in the statements of the Treasury.

The functioning of a free, competitive economy can be circumscribed, of course, and market forces can be tempered. This is considered necessary in some situations and to some degree. But the consideration of minimum costs cannot be flouted without courting disaster. A vigorous general economy is essential to our national security, and the general economic interests of the Nation suggest that restraints on the user or the low-cost producer should be applied only cautiously and advisedly in a spirit of reasonableness and moderation. Large-scale subsidization or heavy protection would not be considered desirable ends in themselves.

While national security programs impose a heavy cost on the economy as a whole, they provide a source of revenue to some production which is important from the standpoint of defense. Our security programs inevitably have an effect on markets and prices and profits. It is not easy to disassociate the economic relationships completely. But at least these security programs can be distinguished conceptually from regulations or price controls specifically designed to serve social or economic purposes.

Except in response to overriding considerations, such as national security, the broad policies and the long tradition of the United States have sought to place maximum reliance on individual initiative, private responsibility, and economic competition. The Land of the Free has accepted rigid controls only to the extent they are clearly necessary.

What our Government adds to the income of some must in general be taken from others. It would be naive to suppose that the taking, on any important or continuing scale, could be from the nationals of other countries. This sort of income

redistribution must be chiefly, if not wholly, among the nationals of the same governmental jurisdiction. Other countries obviously can be affected by the national regulations of the United States, and the world community as a whole might be helped or harmed, but the redistribution of income by national regulation is primarily internal over a period of time. If this is approached from the standpoint of economics and group interests, we come to the questions: Who pays? Who profits? Each group has its own point of view. National policies try to apply the test of total public interest and overall advantage.

There is a widespread conviction in the United States that Federal regulation of the economy, if carried too far, could be harmful, on balance. Relatively free and private institutions have served this country well. The Nation will want to think carefully before greatly changing or seriously weakening the reliance on private enterprise.

Where rigid controls are found necessary, every effort must be made to strike the perfect balance of national interest. It does not seem unreasonable to expect that national policies should approximately fulfill this standard of perfection, but it is understandable, and perhaps inevitable in view of our tradition, that there should be a disposition, when the Government regulates economic affairs, to err on the side of exercising somewhat too little of control rather than too much, leaving to the people themselves somewhat more, rather than less, of private opportunities and responsibilities and individual freedom.

## **President Streamlines Operation of Mutual Security Program**

White House press release dated November 8

### **WHITE HOUSE ANNOUNCEMENT**

The President on November 8 issued an Executive order providing for the administration, by appropriate Federal agencies, of the Mutual Security Program. The order streamlines and codifies existing authority for the operation of the Mutual Security Program, making it possible to supersede six prior Executive orders. However, the past basic pattern for administering mutual secu-



rity activities is preserved. That pattern is indicated by the following:

|   |   |
|---|---|
| Department of State, including the International Cooperation Administration | All functions under the Mutual Security Act of 1954, as amended, except as otherwise indicated below and except as specifically reserved to the President. Among principal programs are economic assistance (including defense support and special assistance), technical cooperation, investment guaranties, and contributions to international organizations. |
| Department of Defense   | Military assistance.  |
| Development Loan Fund   | Certain loans and other financing transactions to or with nations for purpose of furthering their economic development.   |
| Department of Commerce  | Facilitation and encouragement of travel, participation with respect to opportunities for private enterprise for investment and development in other free nations.  |
| United States Information Agency  | The publicizing abroad of activities carried out abroad under the Mutual Security Act of 1954, as amended.  |

Part II of the Executive order clarifies and strengthens the arrangements overseas for the coordination and supervision of U.S. activities. It provides that the chief of mission, as the representative of the President and acting on his behalf, shall exercise affirmative responsibility for the coordination and supervision of U.S. activities in the country to which he is accredited. The President gave more detailed instructions in a memorandum to the heads of all executive departments and agencies.

#### MEMORANDUM OF NOVEMBER 8<sup>1</sup>

To the heads of Executive Departments and Agencies

THE WHITE HOUSE  
Washington, November 8, 1960.

I have today signed an Executive order which is designed to carry out the provisions of the Mutual Security Act of 1954, as amended, and to provide for the admin-

<sup>1</sup> 25 Fed. Reg. 10733.

istration of United States activities in foreign countries. I wish to direct particular attention to Part II of the order. The coordination and supervision of these activities is a most vital aspect of the conduct of our foreign affairs.

It is my desire that all appropriate steps be taken to assure that the Chief of the United States Diplomatic Mission is effective in discharging his role as the representative of the President. Therefore, I am instructing that, to the extent permitted by law and within the framework of established policies and programs of the United States, the Chief of Mission shall have and exercise affirmative responsibility for the coordination and supervision of all United States activities in the country to which he is accredited. It is expected that particular emphasis will be given to the following in the exercise of this authority: (1) the Chief of Mission will take affirmative responsibility for the development, coordination, and administration of diplomatic, informational, educational, and trade activities and programs; economic, technical and financial assistance; military assistance; and the disposal of surplus agricultural commodities abroad; (2) the Chief of Mission will assure compliance with standards established by higher authority, and will recommend appropriate changes in such standards and suggest desirable new standards, governing the personal conduct and the level of services and privileges accorded all United States civilian and military personnel stationed in the foreign country and report to the President upon adherence to such standards; and (3) the Chief of Mission will establish procedures so that he is kept informed of United States activities in the country. He will report promptly to the President as to any matter which he considers to need correction and with respect to which he is not empowered to effect correction.

In order that there be full understanding of the above, it is my desire that the Chief of Mission be made fully aware of his responsibilities and authority with respect to United States activities, in the country to which he is assigned, under today's order and this memorandum. Not only should instructions be issued to the United States Missions; provision should also be made for complete instruction in these matters before a new Chief of Mission assumes his duties at his post. It is the responsibility of each agency concerned to participate in the indoctrination of each Chief of Mission and take steps within the agency to instruct its personnel as to the authority of the Chief of Mission and as to the necessity of keeping him fully informed concerning current and prospective program and administrative activities.

Steps should also be taken to provide the Chief of Mission with the necessary staff assistance so he can fully carry out the assigned tasks. The Director of the Bureau of the Budget is requested (1) to take the lead, in consultation with the Department of State and other interested agencies, in developing the most appropriate method of providing the required staff facilities at the country level, and of establishing such arrangements in Washington, as may be necessary to enable each Chief of Mission to carry out effectively his responsibilities as



the representative of the President, and (2) to present to the President appropriate recommendations with respect to such facilities and arrangements.

The following prior Presidential documents (related to the subject of this memorandum or of today's Executive order), to the extent not previously rendered obsolete or otherwise inapplicable, are hereby superseded:

1. The June 1, 1953, memorandum regarding the reorganization of the Executive Branch for the conduct of foreign affairs.<sup>2</sup>

2. The memorandum of three heads of departments and the Director for Mutual Security concerning the reorganization of the Special Representative in Europe,<sup>3</sup> which was approved June 16, 1953.

3. The November 6, 1954, letter concerning Executive Order No. 10575, etc.<sup>4</sup>

4. The April 15, 1955, letter to the Secretary of State concerning the establishment of the International Cooperation Administration, etc.<sup>5</sup>

5. The July 24, 1956, memorandum concerning administration of overseas functions.

6. The November 19, 1959, memorandum concerning reports required by sections 111(a) and 111(b) of the Mutual Security Appropriation Act, 1960.

This memorandum shall be published in the *Federal Register*.

DWIGHT D. EISENHOWER

## EXECUTIVE ORDER 10893<sup>6</sup>

### ADMINISTRATION OF MUTUAL SECURITY AND RELATED FUNCTIONS

By virtue of the authority vested in me by the Mutual Security Act of 1954, 68 Stat. 832, as amended (22 U.S.C. 1750 *et seq.*), and section 301 of title 3 of the United States Code, and as President of the United States and Commander in Chief of the armed forces of the United States, it is ordered as follows:

#### Part I—Assignment of Functions and Funds

SECTION 101. *Department of State.* (a) Exclusive of the functions otherwise delegated, or excluded from delegation, by this order, and subject to the provisions of this order, there are hereby delegated to the Secretary of State all functions conferred upon the President (1) by the Mutual Security Act of 1954, hereinafter referred to as the Act, (2) by the Mutual Defense Assistance Control Act of 1951, 65 Stat. 644 (22 U.S.C. 1611 *et seq.*), and (3) by those provisions of acts appropriating funds under the authority of the Act which are wholly or primarily relevant to the Act.

<sup>2</sup> BULLETIN of June 15, 1953, p. 849.

<sup>3</sup> For text, see *ibid.*, July 13, 1953, p. 48.

<sup>4</sup> For text, see *ibid.*, Dec. 13, 1954, p. 913.

<sup>5</sup> For text, see *ibid.*, May 2, 1955, p. 715.

<sup>6</sup> 25 *Fed. Reg.* 10731.

(b) In determining upon the furnishing of assistance on terms of repayment pursuant to the Act, and upon the amounts and terms of such assistance, the Secretary of State shall consult with the National Advisory Council on International Monetary and Financial Problems in respect of policies relating to such assistance and terms. The Secretary of State shall also consult the Council with respect to policies concerning the utilization of funds in the Special Account provided for in section 142(b) of the Act and concerning such other matters as are within the cognizance of the Council pursuant to section 4 of the Bretton Woods Agreements Act (22 U.S.C. 286 *et seq.*).

(c) In carrying out the functions conferred upon the President by section 414 of the Act, the Secretary of State shall consult with appropriate agencies. Designations, including changes in designations, by the Secretary of State of articles which shall be considered as arms, ammunition, and implements of war, including technical data relating thereto, under that section shall have the concurrence of the Secretary of Defense.

(d) The maintenance of special missions or staffs abroad, the fixing of the ranks of the chiefs thereof after the chiefs of the United States diplomatic missions, and the authorization of the same compensation and allowances as the chief of mission, class 3 and class 4, within the meaning of the Foreign Service Act of 1946, 60 Stat. 999 (22 U.S.C. 801 *et seq.*), all under section 526 of the Act, shall have the approval of the Secretary of State.

(e) All functions under the Act, the Mutual Defense Assistance Control Act of 1951, and the United States Information and Educational Exchange Act of 1948, 62 Stat. 6 (22 U.S.C. 1431 *et seq.*), and all functions under those provisions of acts appropriating funds under the authority of the Act which are wholly or primarily relevant to the Act, however vested, delegated, or assigned, shall be subject to the responsibilities of the Secretary of State with respect to the foreign policy of the United States.

SEC. 102. *Department of Defense.* (a) Subject to the provisions of this order, there are hereby delegated to the Secretary of Defense:

(1) The functions conferred upon the President by Chapter I of the Act, exclusive of (i) those so conferred by section 105(b)(3) thereof, (ii) so much of those so conferred by the third sentence of section 105(b)(4) of the Act as consists of determining that internal security requirements may be the basis for programs of military assistance in the form of services, (iii) so much of those so conferred by the first sentence of section 106(b) of the Act as consists of determining that a nation or international organization may make available the fair value of equipment, materials, or services, sold thereto or rendered therefor, at a time or times other than in advance of delivery of the equipment, materials, or services, and (iv) those reserved to the President by section 110 of this order.

(2) The functions conferred upon the President by sections 142(a)(7) and 511(c) of the Act.

(3) To the extent that they relate to other functions under the Act administered by the Department of Defense,

the functions conferred upon the President by sections 142(a) (10), 505(a), 511(b), 527(a), 528, 529(a), and 550 of the Act.

(4) The functions conferred upon the President by the fourth and fifth provisos of section 108 of the Mutual Security Appropriation Act, 1956, 69 Stat. 438.

(b) In carrying out the functions under section 550 of the Act delegated to him by the foregoing provisions of this section, the Secretary of Defense shall consult with the Secretary of State.

SEC. 103. *Department of the Treasury.* There is hereby delegated to the Secretary of the Treasury the function conferred upon the President by the fifth sentence of section 505(b) of the Act.

SEC. 104. *Department of Commerce.* (a) There is hereby delegated to the Secretary of Commerce so much of the functions conferred upon the President by section 413(b) (1) of the Act as consists of drawing the attention of private enterprise to opportunities for investment and development in other free nations.

(b) The Secretary of Commerce is hereby designated as the officer through whom the functions provided for in the first sentence of section 416 of the Act shall be carried out.

SEC. 105. *Development Loan Fund.* There are hereby delegated to the Managing Director of the Development Loan Fund, acting subject to the supervision and direction of the board of directors of the Development Loan Fund:

(1) So much of the functions conferred upon the President by section 504(a) of the Act as consists of assisting American small business to participate equitably in the furnishing of commodities and services financed with funds authorized under Title II of Chapter II of the Act.

(2) So much of the functions conferred upon the President by section 527(a) of the Act as consists of determining such personnel as need be employed by the Development Loan Fund to carry out the provisions and purposes of the Act.

SEC. 106. *Cost-sharing arrangements.* The functions conferred upon the President by section 527(e) of the Act are hereby delegated to the several heads of agencies in respect of any functions under the Act performed by officers and employees of those agencies, respectively.

SEC. 107. *Studies.* (a) The Departments of State and Commerce and such other agencies as they deem appropriate shall conduct the annual studies under section 413(c) of the Act.

(b) The Department of State and such other agencies as it deems appropriate shall conduct the study under section 413(d) of the Act.

SEC. 108. *United States Information Agency.* The United States Information Agency shall perform the functions provided for by law with respect to publicizing abroad the activities carried out under the Act.

SEC. 109. *Allocation, advance, and transfer of funds.* (a) Funds heretofore or hereafter appropriated or otherwise made available to the President for carrying out the Act shall be deemed to be allocated or advanced without any further action of the President, as follows:

(1) There are allocated to the Secretary of State all funds for carrying out the Act except those made available exclusively for carrying out Chapter I and Title II of Chapter II of the Act.

(2) There are allocated to the Secretary of Defense funds made available exclusively for carrying out Chapter I of the Act; but, for the purposes of the second sentence of section 108 of the Mutual Security Appropriation Act, 1956, such funds shall be available only when and in such amounts as they have been apportioned, for use, by the Bureau of the Budget.

(3) Funds for carrying out Title II of Chapter II of the Act shall be advanced to the Development Loan Fund.

(b) The Secretary of State, the Secretary of Defense, and the Development Loan Fund may allocate or transfer, as appropriate, any funds received under paragraphs (1), (2), and (3), respectively, of subsection (a) of this section, to any agency, or part thereof, for obligation or expenditure thereby consistent with applicable law, subject, however, to the provisions of section 110(2) of this order.

(c) The utilization of funds without regard to the existing laws governing the obligation and expenditure of Government funds as authorized by section 411(d) of the Act shall be limited as far as practicable and shall in any event be confined to instances in which such utilization (1) is deemed to further the more economical, efficient, or expeditious carrying out of functions under the Act, or (2) is deemed to obviate or mitigate hardship occurring with respect to personnel administering functions under the Act in connection with the administration of these functions or with respect to the families of personnel by reason of the duties of the respective heads of families under the Act, or (3) is for the purpose of settling any claim arising outside the United States for money damages against the United States for injury or loss of property or personal injury or death caused by the negligent or wrongful act or omission of any employee of the Government administering functions under the Act while acting within the scope of his office or employment, under circumstances where the United States, if a private person, would be liable to the claimant in accordance with the law of the place where the act or omission occurred.

SEC. 110. *Reservation of functions to the President.* There are hereby excluded from the functions delegated by the foregoing provisions of this order:

(1) The functions conferred upon the President by the Act with respect to the appointment of officers required to be appointed by and with the advice and consent of the Senate.

(2) The functions conferred upon the President with respect to findings, determinations, certifications, agreements, directives, or transfers of funds, as the case may be, by sections 104(b), 105 (except so much of those functions conferred by the third sentence of section 105(b) (4) as relates to services), 131(a) (proviso), 141, 404, 411(c), 451(a), 501, 521, 522(b), 523(d), and 552 of the Act, and by sections 103(b), 104, 203, and 301 of the Mutual Defense Assistance Control Act of 1951.

(3) The functions conferred upon the President by sec-

tions 101, 107(a)(2), 413(c), 413(d), 502(c), 503(a), 503(b), 523(c), 525, 533, 534(a), and 545(d) of the Act, by the first sentence of section 144 of the Act, and by the second sentence of section 416 of the Act, and, subject to Part II of this order, the functions so conferred by section 523(b) of the Act.

(4) So much of the functions conferred upon the President by section 403 of the Act as consists of determining any provision of law to be disregarded to achieve the purposes of that section.

(5) The functions conferred upon the President by sections 101(d)(2), 107 (second sentence), 110, and 111 of the Mutual Security and Related Agencies Appropriation Act, 1961 (74 Stat. 778; 779).

#### Part II—Coordination and Supervision of Functions Abroad

SEC. 201. *Functions of Chiefs of United States Diplomatic Missions.* The several Chiefs of the United States Diplomatic Missions in foreign countries, as the representatives of the President and acting on his behalf, shall have and exercise, to the extent permitted by law and in accordance with such instructions as the President may from time to time promulgate, affirmative responsibility for the coordination and supervision over the carrying out by agencies of their functions in the respective countries.

#### Part III—General Provisions

SEC. 301. *Continuation of Department of State arrangements.* There shall continue to be in the Department of State, subject to the direction and control of the Secretary of State, the following:

(1) The International Cooperation Administration (including the offices transferred to the Department by the provisions of section 102(a) of Executive Order No. 10610 of May 9, 1955<sup>1</sup>) as an agency in the Department of State.

(2) All now-existing functions which (i) immediately prior to the effective date of Executive Order No. 10610 of May 9, 1955, were conferred by law upon the Foreign Operations Administration or the Director of the Foreign Operations Administration, or on agencies or officials of the Foreign Operations Administration, and (ii) were by that order transferred to the Secretary of State or the Department of State.

(3) The Office of Small Business provided for in section 504(b) of the Act and the functions vested in it by law, which functions shall remain therewith.

SEC. 302. *Personnel.* (a) The performance of the functions conferred upon the President by section 527(c) of the Act (and by this order delegated to the Secretary of State) shall be governed by the following:

(1) The authority which the Secretary of State is authorized to exercise with respect to personnel appointed, employed, or assigned to perform functions under the Act shall include (i) the authority available to the Secretary under the Foreign Service Act of 1946 (including

section 571 of that Act) relating to Foreign Service Reserve officers, Foreign Service Staff officers and employees, and alien clerks and employees, (ii) the authority available to the Secretary under any other provision of law pertaining specifically, or generally applicable, to Foreign Service Reserve officers, Foreign Service Staff officers and employees, and alien clerks and employees, (iii) the authority available to the Secretary under sections 1021 through 1071 of the Foreign Service Act of 1946, (iv) with respect to personnel appointed or assigned pursuant to the provisions of section 527(c)(2) of the Act, the authority of the Board of Foreign Service provided for by the Foreign Service Act of 1946, and (v) the authority to prescribe or issue (in pursuance of the Foreign Service Act of 1946, the Mutual Security Act of 1954, or other applicable law) such regulations, orders, and instructions, not inconsistent with law, as may be incidental to or necessary for or desirable in connection with the carrying out of the provisions of section 527(c) of the Act or the provisions of this order.

(2) The prohibitions and requirements contained in sections 1001 through 1005 and section 1011 of the Foreign Service Act of 1946 shall be applicable to all personnel appointed or assigned under the provisions of that act as authorized herein.

(3) Persons appointed, employed, or assigned after May 19, 1959, under section 527(c) of the Act for the purpose of performing functions under the Act outside the United States shall not, unless otherwise agreed by the agency in which such benefits may be exercised, be entitled to the benefits provided by section 528 of the Foreign Service Act of 1946 in cases in which their service under the appointment, employment, or assignment exceeds thirty months.

(b) In carrying out the provisions of section 527(c)(1) of the Act, the Secretary of State may authorize any agency to perform any functions specified therein to the extent that they relate to other functions under the Act administered by such agency.

SEC. 303. *Definitions.* As used in this order, the word "function" or "functions" embraces duties, powers, responsibilities, authority, and discretion; and the word "agency" or "agencies" embraces any department, agency, board, instrumentality, commission, or establishment of the United States Government, and any corporation partly or wholly owned by it.

SEC. 304. *References to acts and orders.* (a) Except in respect of any reference which has been or may be revoked, superseded, or otherwise made inapplicable, and except as may for any other reason be inappropriate:

(1) References in any Part of this order or in any other Executive order to the Mutual Security Act of 1954 or to this order or to any provision of either thereof, and references in this order to the Act or to any other act or to any provision of either thereof, shall be deemed to include references thereto, respectively, as amended from time to time.

(2) References in any prior Executive order not superseded under section 305(a) of this order to any provisions of any Executive order so superseded (including the ref-

<sup>1</sup>For text, see BULLETIN of May 30, 1955, p. 889.

erence in section 3(c) of Executive Order No. 10560 of September 9, 1954 (19 F.R. 5927),<sup>8</sup> as affected by the provisions of section 303(b) of Executive Order No. 10575 of November 6, 1954,<sup>9</sup> to Part II of the latter order) shall hereafter be deemed to be references to the corresponding provisions, if any, of this order.

(b) Any reference in this order to provisions of any appropriation act shall be deemed to include a reference to any hereafter-enacted provisions of law which are the same or substantially the same as such appropriation act provisions.

SEC. 305. *Superseded orders.* (a) The following-described orders, and parts of order, are hereby superseded:

(1) Executive Order No. 10575 of November 6, 1954 (19 F.R. 7249).

(2) Executive Order No. 10610 of May 9, 1955 (20 F.R. 3179).

(3) Executive Order No. 10625 of August 2, 1955 (20 F.R. 5571).<sup>10</sup>

(4) Executive Order No. 10663 of March 24, 1956 (21 F.R. 1845).<sup>11</sup>

(5) Executive Order No. 10742 of November 29, 1957 (22 F.R. 9689).<sup>12</sup>

(6) Sections 1 and 2 of Executive Order No. 10822 of May 20, 1959 (24 F.R. 4159).<sup>13</sup>

(b) The foregoing provisions of this section shall not derogate from the provisions of section 301 of this order.

SEC. 306. *Saving provisions.* Except to the extent that they may be inconsistent with this order, all determinations, authorizations, regulations, rulings, certificates, orders, directives, contracts, agreements, and other actions made, issued, or entered into with respect to any function affected by this order and not revoked, superseded, or otherwise made inapplicable before the date of this order, shall continue in full force and effect until amended, modified, or terminated by appropriate authority.

*Dwight D. Eisenhower*

THE WHITE HOUSE,  
November 8, 1960.

<sup>8</sup> For text, see *ibid.*, Oct. 4, 1954, p. 501.

<sup>9</sup> For text, see *ibid.*, Dec. 13, 1954, p. 914.

<sup>10</sup> For text, see *ibid.*, Aug. 15, 1955, p. 273.

<sup>11</sup> For text, see *ibid.*, Apr. 16, 1956, p. 651.

<sup>12</sup> For text, see *ibid.*, Dec. 23, 1957, p. 991.

<sup>13</sup> For text, see *ibid.*, June 22, 1959, p. 936.

## U.S. Grants Wheat to Afghanistan To Aid Economic Development

Press release 646 dated November 17

The Department of State announced on November 17 the grant by the U.S. Government of 50,000 tons of American wheat to Afghanistan to assist this south Asian nation to meet its current grain needs and at the same time provide local currency to finance needed economic development projects.

A formal agreement accepting the grain on behalf of the Government of Afghanistan was signed at Washington by the Afghan Ambassador to the United States, Mohammed Hashim Maiwandwal. The grain will be shipped to Afghanistan over the next 5 or 6 months.

The grant is being made through the U.S. International Cooperation Administration under a new provision of title II of the Agricultural Trade Development and Assistance Act. This provision permits ICA to make grants of U.S. agricultural commodities in order to promote economic development in recipient countries.

This grant will assist Afghanistan to undertake and carry out such economic development projects as rural school construction, public education programs in provincial areas, road construction, and agricultural development.

The first shipment of approximately 10,000 tons of wheat will begin moving to Afghanistan as soon as shipping arrangements can be made. The United States will defray the ocean freight costs to Karachi, Pakistan, the Arabian Sea port nearest to Afghanistan, and also the cost of transshipping the grain across Pakistan to the nearest port of entry, where it will be loaded aboard trucks for delivery in Afghanistan.

This is the fourth time since 1957 that the United States has responded to Afghanistan's request for grain supplies. Grants of 40,000 tons of wheat were made to Afghanistan in each of the fiscal years 1957 and 1958. An additional 50,000 tons of wheat were delivered in fiscal year 1959.



# INTERNATIONAL ORGANIZATIONS AND CONFERENCES

## Calendar of International Conferences and Meetings<sup>1</sup>

### Scheduled December 1, 1960, Through February 28, 1961

|   |                           |          |
|---|---------------------------|----------|
| WMO Commission on Climatology: 3d Session . . . . .   | London . . . . .          | Dec. 1-  |
| ICEM Council: 13th Session . . . . .  | Geneva . . . . .          | Dec. 1-  |
| Inter-American Children's Institute: 41st Meeting of Directing Council . . . . .  | Montevideo . . . . .      | Dec. 5-  |
| 4th U.N. ECAFE Regional Technical Conference on Water Resources Development . . . . .   | Colombo . . . . .         | Dec. 5-  |
| U.N. ECE Inland Transport Committee: 20th Session . . . . .   | Geneva . . . . .          | Dec. 5-  |
| U.N. ECE Housing Committee: <i>Ad Hoc</i> Meeting of Rapporteurs on Rural Housing . . . . .   | Geneva . . . . .          | Dec. 8-  |
| U.N. ECOSOC Regional Seminar on the Participation of Women in Public Life . . . . .   | Addis Ababa . . . . .     | Dec. 12- |
| UNICEF Program Committee . . . . .  | New York . . . . .        | Dec. 12- |
| OECD Ministerial Conference . . . . .   | Paris . . . . .           | Dec. 13- |
| U.N. ECAFE Industry and Natural Resources Committee: Metals and Engineering Subcommittee . . . . .  | Rourkela, India . . . . . | Dec. 14- |
| UNESCO Executive Board: 58th Session . . . . .  | Paris . . . . .           | Dec. 14- |
| NATO Ministerial Council . . . . .  | Paris . . . . .           | Dec. 16- |
| U.N. Special Fund Governing Council: 5th Session . . . . .  | New York . . . . .        | Dec. 19- |
| U.N. ECE Coal Trade Subcommittee . . . . .  | Geneva . . . . .          | Dec. 19- |
| UNICEF Executive Board . . . . .  | New York . . . . .        | Dec. 23- |
| IAEA Board of Governors: 20th Session . . . . .   | Vienna . . . . .          | December |
| Inter-American Symposium on Social Aspects of Economic Development . . . . .  | México, D.F. . . . .      | December |
| U.N. Economic and Social Council: 30th Session (resumed) . . . . .  | New York . . . . .        | December |
| 2d ICAO Special Limited Mediterranean Regional Air Navigation Meeting . . . . .   | Paris . . . . .           | Jan. 3-  |
| U.N. ECOSOC Commission on Human Rights: 13th Session of Subcommittee on Prevention of Discrimination and Protection of Minorities . . . . . | Geneva . . . . .          | Jan. 3-  |
| FAO Indo-Pacific Fisheries Council: 9th Meeting . . . . .   | Karachi . . . . .         | Jan. 6-  |
| 10th International Conference on Social Work . . . . .  | Rome . . . . .            | Jan. 8-  |
| GATT Working Party on Market Disruption . . . . .   | Geneva . . . . .          | Jan. 9-  |
| FAO Consultative Subcommittee on the Economic Aspects of Rice: 5th Session . . . . .  | New Delhi . . . . .       | Jan. 13- |
| IMCO <i>Ad Hoc</i> Committee on Rules of Procedure: 3d Meeting . . . . .  | London . . . . .          | Jan. 13- |
| FAO Technical Advisory Committee on Desert Locust Control: 9th Session . . . . .  | Rome . . . . .            | Jan. 16- |
| ILO Tripartite Meeting on Social Consequences of Coal Crisis . . . . .  | Geneva . . . . .          | Jan. 16- |
| IMCO Council: 4th Session . . . . .   | London . . . . .          | Jan. 17- |
| GATT Committee III on Expansion of International Trade . . . . .  | Geneva . . . . .          | Jan. 23- |
| North Pacific Fur Seal Commission: 4th Meeting . . . . .  | Tokyo . . . . .           | Jan. 30- |
| U.N. ECE Committee on Agricultural Problems: Working Party on Standardization of Perishable Foodstuffs . . . . .                            | Geneva . . . . .          | Jan. 30- |
| IAEA Board of Governors: 21st Session . . . . .   | Vienna . . . . .          | Jan. 30- |
| FAO Group of Experts on Rice Grading and Standardization: 6th Session . . . . .   | India . . . . .           | January  |
| U.N. ECAFE Committee on Trade: 4th Session . . . . .  | Bangkok . . . . .         | January  |
| CENTO Ministerial Council: 9th Meeting . . . . .  | Ankara . . . . .          | Feb. 1-  |
| U.N. Economic Commission for Africa: 3d Session . . . . .   | Addis Ababa . . . . .     | Feb. 6-  |
| U.N. ECOSOC Population Commission: 11th Session . . . . .   | New York . . . . .        | Feb. 6-  |
| 14th World Health Assembly . . . . .  | New Delhi . . . . .       | Feb. 7-  |

<sup>1</sup> Prepared in the Office of International Conferences, Nov. 15, 1960. Following is a list of abbreviations: CENTO, Central Treaty Organization; ECAFE, Economic Commission for Asia and the Far East; ECE, Economic Commission for Europe; ECOSOC, Economic and Social Council; FAO, Food and Agriculture Organization; GATT, General Agreement on Tariffs and Trade; IAEA, International Atomic Energy Agency; ICAO, International Civil Aviation Organization; ICEM, Intergovernmental Committee for European Migration; ILO, International Labor Organization; IMCO, Intergovernmental Maritime Consultative Organization; NATO, North Atlantic Treaty Organization; OECD, Organization for Economic Cooperation and Development; U.N., United Nations; UNESCO, United Nations Educational, Scientific and Cultural Organization; UNICEF, United Nations Children's Fund; WMO, World Meteorological Organization.

|  |                    |          |
|--|--------------------|----------|
| Inter-American Tropical Tuna Commission . . . . .                      | Panamá . . . . .   | Feb. 23- |
| U.N. ECOSOC Committee on Nongovernmental Organizations . . . . .       | New York . . . . . | Feb. 27- |
| U.N. ECAFE Committee on Industry and Natural Resources: 13th Session.  | Bangkok . . . . .  | February |
| U.N. ECAFE Inland Transport and Communications Committee: 9th Session. | Bangkok . . . . .  | February |
| U.N. ECE <i>Ad Hoc</i> Working Party on Gas Problems . . . . .         | Geneva . . . . .   | February |

## U.S. Supports Enlargement of Major U.N. Councils

*Statement by Francis O. Wilcox  
U.S. Representative to the General Assembly<sup>1</sup>*

The United States is strongly in favor of General Assembly action this year to increase the membership of the Security Council and the Economic and Social Council. We believe this action is urgently necessary in order to give more equitable representation to the African and Asian members of our Organization. We hold this position for the following reasons:

1. The membership of the United Nations, which has grown far more rapidly than the framers of the charter anticipated, has nearly doubled in 15 years. During that same time the Security Council and the Economic and Social Council have remained exactly the same size. This is an anachronism which must be remedied.

2. Since most of the new members have come from Asia and Africa, it follows that the countries from these great regions of the world are the ones that are most seriously underrepresented. But they are deeply interested in the activities of the United Nations. They come to us with new ideas and new enthusiasm to contribute to our work. We must use this creative energy to the fullest by providing new opportunities for these members to participate in various United Nations organs.

3. The enlargement of the Councils has been delayed far too long already. We have discussed the matter on several occasions in considerable detail. We have procrastinated; we have delayed; we have postponed; we have refused to take any constructive action—and for no good reason. The latest addition of 17 new members now makes any further delay inexcusable and intolerable.

4. The enlargement of the Councils requires

only slight amendments to the charter. With a little good will on the part of the five permanent members, I should think the necessary ratifications could be submitted and the new seats filled within a few months' time.

5. Enlargement would seem to be the fairest and most practical means of increasing representation for Asian and African countries. It is fairest, because it does not seek to take away something from those who now have adequate representation. It is more practical than reallocation, for the latter would inevitably lead to serious voting disputes and would involve an unhappy attempt to distribute too few seats among too many countries no matter how fairminded those who sought the reallocation might be.

### U.N. Must Evolve With the Times

In this connection may I say that the United Nations, if it is to meet its responsibilities in the future, must be a living organization, evolving with the times and circumstances in which it has to operate. Enlargement of the Councils will help us to keep abreast of the growth and the development of the international community.

When the charter was drafted, the United States was among the great powers given the legal right to prevent changes in the charter. In this respect, like the rest of the permanent members, we have a privileged position in the United Nations. But no one there conceived of that right, given to five members of the Organization, as an instrument to thwart the will of the great majority or to obstruct necessary and reasonable adjustments of our Organization to changing circumstances.

The obvious fact is that times change, and the United Nations must move ahead. As one of those powers which has a legal right under the charter to block the enlargement of the Councils, let me repeat categorically that the United States stands ready to support a reasonable increase in the membership of those bodies. That has been

<sup>1</sup> Made in the Special Political Committee on Nov. 3 (U.S. delegation press release 3563).

our position in the past, and, with the fresh urgency that 16 new African countries inject into the issue, it remains our position today.

Previous speakers in this debate have examined in some detail the various arguments that have been advanced from many different points of view. In our opinion, the question before us is a simple one, and it deserves a simple answer. Are we going to support an enlargement of the two Councils to take into proper account the amazing growth in United Nations membership, or are we going to oppose such an enlargement?

As I have said, this is a simple problem which deserves a simple answer. It ought not to be confused or beclouded by false arguments. It ought not to be sidetracked by irrelevant conditions. For our part, we would hope this committee would keep out irrelevant issues or conditions. Anyone could pose conditions and insist on them as a precondition to enlargement of the Councils. As one of the permanent members, we could certainly do so. There are many issues on which we would like the United Nations to take a decision which, for whatever reason, it has not yet been prepared to take. However, we would feel ourselves out of order in this debate to bring in outside issues as preconditions to our agreement that the Councils should be enlarged.

In our view, no one can seriously challenge either the logic or the desirability of enlarging the Councils, and that is the question before us. We hope the Assembly this year will take the necessary decisions for amending the charter.

#### **U.S. Favors Reasonable Increase**

The United States has consistently favored a reasonable increase in both the Security Council and the Economic and Social Council. We have felt that the growing demand for participation on these bodies should be met, that the composition of these two primary organs of the United Nations should reflect the growing membership of the United Nations as a whole.

The United Nations Charter gave the Economic and Social Council broad authorization to lead the United Nations' struggle for economic and social progress. The authors of the charter were fully aware that peace, prosperity, and human rights in the long run are indivisible.

This is not the time to recount in any detail what has happened since 1945, but it is well to

remember that the economic and social activities of the United Nations and of its sister organizations, the specialized agencies, have during the last 13 years grown faster than any other area of United Nations action. I realize that, in spite of this record, many are impatient with what has been achieved. That is understandable in view of the immensity of the economic, social, and humanitarian needs which confront us today. The increasingly important role of the United Nations in the economic and social fields has been recognized by all its members. The amount of money spent by the U.N. for economic and social and humanitarian purposes in 1960 is over \$150 million. In 1961 such expenditures may well be double this amount. Increasing expenditures mean expanding programs and call for expanded participation and support if the obligations of the United Nations are to be met. The challenge is great and urgent, and we must do everything possible to respond effectively.

The proposal to enlarge the Economic and Social Council is one very important means of meeting this challenge. While the work of the United Nations in the economic and social fields is expanding rapidly, the representation of states in which the work is concentrated has been proportionately decreasing. It is imperative that the nations of Africa and Asia be given a voice on the Economic and Social Council befitting their numbers as well as their ability to contribute to the efforts in which we are all engaged.

The United States delegation has always considered the enlargement of the Economic and Social Council as basically nonpolitical. Enlargement has been described—we believe correctly so—as essentially a technical adjustment to make the Council more effective.

The charter has vested the Security Council with the "primary responsibility for the maintenance of international peace and security." I need not detail to this informed group the many specific responsibilities of the political Council of the United Nations. By its decisions and actions the Security Council has demonstrated the importance of its role not only in the United Nations but in the affairs of the world as a whole.

If one can judge by events of the past 6 months, the Security Council has become an increasingly important forum for the consideration of international disputes. It has shown its ability to take

prompt and effective action to avert such major threats to the peace as that which existed in the Congo. Certainly in a world where nations are becoming increasingly interdependent and no one nation can determine its own fate in isolation, provision must be made for greater representation of Asia and Africa on the Security Council.

#### **Meeting the Needs of the Future**

Mr. Chairman, it is not my purpose this morning to go over old ground and to emphasize just where the blame lies for the failure of the United Nations to meet this problem in a constructive way in past years. I think most of the members of this committee are well aware of the factor. I think they know where the blame lies. But our purpose here is not to engage in recriminations. It is not to look to the past but to move ahead toward the development of a stronger United Nations that will meet the needs of the future.

The United States believes in the United Nations, and we have given it our strong support from the beginning. We believe in the purposes and principles of the charter. We like to see the United Nations make progress to adapt itself to changing world conditions.

We have reached a stage in world history where the choice before us is quite clear. Either we continue to move ahead with the United Nations toward order and stability under world law, or we begin to fall back down that treacherous slope toward the point of no return where state sovereignty is limited only by naked force and international anarchy is the inevitable result.

Let us then persevere in our quest for peace. In this 15th anniversary year of the United Nations let us rededicate ourselves to the all-important task of making the United Nations a more effective instrumentality for world peace and for meeting man's aspirations for a better life.

Basically there is nothing wrong with the United Nations that a greater spirit of cooperation and good will cannot cure. There is nothing wrong with the purposes and principles of the charter or of the structure of our Organization.

I believe this committee has an opportunity to take an important step forward in our task of improving the United Nations by adding to the membership of the Security Council and the Economic and Social Council so that our new members will have more adequate representation. I hope that

the great majority of this committee will insist that we look ahead and not be shackled by the heavy hand of the past.

#### **Plan To Broaden Public Participation in Tariff Negotiations Announced**

Press release 642 dated November 15

The Secretary of State announced on November 15 the details of a plan for increased participation by nongovernmental representatives in the U.S. delegation to the 1961 Geneva tariff conference. The plan was developed by the Cabinet-level Trade Policy Committee, chaired by the Secretary of Commerce, to provide for the broadening of the executive branch practice of appointing public advisers to U.S. delegations to tariff negotiations so that additional competent, representative, and diversified opinion from industry, agriculture, labor, and the public may be available to the executive branch in all such negotiations.

It has been customary in recent years for the Secretary of State to appoint three or four private citizens to serve as public advisers on the U.S. delegations participating in the major meetings of the Contracting Parties to the General Agreement on Tariffs and Trade (GATT). These public advisers have been representative of agriculture, industry, labor, and the general public.

The plan announced on November 15 provides for an increase in the number of public advisers to a total of 12. The advisers will be appointed by the Secretary of State upon recommendation by the Trade Policy Committee. In addition the plan provides for the designation by the Chairman of the Trade Policy Committee of a substantial number of private citizens to be available in Washington as consultants to the Committee and its member departments on questions arising in the course of the Geneva negotiations.

The public advisers will serve on a rotating basis as members of the U.S. delegation attending the tariff negotiations in Geneva commencing in January of 1961. The plan provides that the advisers will be informed of the detailed U.S. negotiating plans and the Government will have the benefit of any comments they may have.

The consultants will be designated by the Chair-



man of the Trade Policy Committee upon nomination by the Trade Policy Committee member departments. They will be selected on the basis of their familiarity with the domestic economy and the effect of foreign trade upon it.

While the consultants will not be members of the delegation, they will be able to supply expert judgment on particular commodity groups or particular areas of economic activity and will make available to the Government a valuable source of technical judgment on problems arising in the course of the tariff negotiations.

This plan is in keeping with section 3(e) of the Trade Agreements Extension Act of 1958, which provides for information and advice from representatives of industry, agriculture, and labor during the course of international tariff negotiations and thus encourages the continuation and broadening of the previous practice in this respect.

### **IBRD Issues Financial Statement for Period Ending September 30**

The International Bank for Reconstruction and Development reported on November 7 that its reserves had risen by \$22.7 million in the first quarter of the current fiscal year to a total of \$531.5 million.

The additions to reserves in the 3-month period ending September 30, 1960, are made up of net earnings of \$15.6 million, which were placed in the supplemental reserve against losses on loans and guarantees, and loan commissions of \$7.1 million, which were credited to the special reserve. On September 30 the supplemental reserve totaled \$359.6 million and the special reserve was \$171.9 million.

Gross income, exclusive of loan commissions, was \$40.5 million. Expenses totaled \$24.9 million and included \$21 million for interest on the Bank's funded debt, for bond issuance, and for other financial expenses.

During the period the Bank made six loans totaling \$203,940,000—in Colombia, El Salvador, India, Israel, Pakistan, and Panama. This brought the total number of loans to 271 in 54 countries and territories and raised the gross total of commitments to \$5,384.5 million.

Disbursements on loans were \$90.8 million,

making total disbursements \$4,011.9 million on September 30.

The Bank sold or agreed to sell the equivalent of \$65.8 million principal amounts of loans. At September 30 the total amount of such sales was \$876.8 million, of which all except \$69 million was without the Bank's guarantee.

Repayments of principal received by the Bank amounted to \$26.8 million. Total principal repayments amounted to \$703.2 million on September 30, consisting of \$364.8 million repaid to the Bank and \$338.4 million repaid to the purchasers of borrowers' obligations sold by the Bank.

On September 30 the outstanding funded debt of the Bank was \$2,086.3 million, reflecting an increase of \$13.3 million in the past 3 months. During the period the Bank privately placed \$30 million of 4 percent 3-year notes. Outstanding debt was increased a further \$17.7 million as a result of the delivery of \$1.8 million of bonds which had been subject to delayed delivery arrangements, the drawing down of an additional \$11.9 million equivalent from the deutsche mark borrowing of December 1959, and the revaluation of outstanding Canadian dollar-bond issues by \$4 million. Funded debt maturing amounted to \$30 million, and sinking and purchase fund transactions amounted to \$4.4 million.

Pursuant to the increase in the authorized capital of the Bank from \$10 billion to \$21 billion on September 15, 1959, 61 members had doubled their subscriptions and 25 members had subscribed to \$1,309.9 million in addition to their 100 percent increase. During the first quarter of this fiscal year the subscribed capital of the Bank was increased by \$607.3 million and amounted to \$19,915.2 million on September 30, 1960.

### **Current U.N. Documents: A Selected Bibliography<sup>1</sup>**

#### **Security Council**

Letter Dated 8 September 1960 From the Permanent Representative of Yugoslavia Addressed to the President of the Security Council. S/4485. September 8, 1960. 2 pp.

<sup>1</sup> Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York 27, N.Y. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

Third Report by the Secretary-General on the Implementation of Security Council Resolutions S/4387 of 14 July 1960, S/4405 of 22 July 1960 and S/4426 of 9 August 1960. Addendum No. 3. Letter dated 9 September 1960 from the permanent representative of Belgium addressed to the Secretary-General. S/4475/Add. 3. September 10, 1960. 2 pp.

Letter Dated 9 September 1960 From the First Deputy Foreign Minister of the U.S.S.R. to the Secretary-General. S/4497. September 10, 1960. 6 pp.

Communication Dated 10 September 1960 From the Prime Minister of the Republic of the Congo Addressed to the Secretary-General of the United Nations. S/4498. September 10, 1960. 3 pp.

Cable Dated 10 September 1960 From the President of the Republic of the Congo Addressed to the Secretary-General of the United Nations. S/4500. September 10, 1960. 1 p.

Cable Dated 10 September 1960 From the President of the Republic of the Congo Addressed to the Secretary-General of the United Nations. S/4502. September 10, 1960. 1 p.

### General Assembly

Dissemination of Information on the United Nations in Non-Self-Governing Territories. Report by the Secretary-General. A/4471. September 3, 1960. 8 pp.

Election of Members of the International Court of Justice: Curricula Vitae of Candidates Nominated by National Groups for the Election of Five Members of the Court. Note by the Secretary-General. A/4475. September 6, 1960. 32 pp.

Election of Members of the International Court of Justice: List of Candidates and Curricula Vitae of Candidates Nominated by National Groups for the Election of a Member of the Court To Fill the Vacancy Caused by the Death of Sir Hersch Lauterpacht. Note by the Secretary-General. A/4477. September 8, 1960. 5 pp.

United Nations Emergency Force. Report of the Secretary-General. A/4486. September 13, 1960. 27 pp.

Adoption of the Agenda and Allocation of Items. Memorandum by the Secretary-General. A/BUR/152. September 14, 1960. 20 pp.

Budget Estimates for the Financial Year 1961: World Health Organization Headquarters Accommodation. Note by the Secretary-General. A/C.5/821. September 16, 1960. 8 pp.

### Economic and Social Council

Commission on the Status of Women: Report of the Inter-American Commission of Women. A provisional translation for the information of delegations. E/CN.6/364. March 26, 1960. 55 pp.

World Economic Situation: Evaluation of Long-Term Economic Projections. A preliminary report by the Secretary-General. E/3379 and Corr. 1. June 23, 1960. 42 pp.

Annual Report of the Managing Director of the Special Fund for 1959. Note by the Secretary-General. E/3401. June 27, 1960. 62 pp.

Annual Report of the Managing Director of the Special Fund for 1959. Corrigendum. E/3401/Corr. 1. June 30, 1960. 2 pp.

Economic Development of Under-developed Countries: International Economic Assistance to the Less Developed Countries. Report by the Secretary-General. E/3395. July 4, 1960. 105 pp.

Report of the Commission on Human Rights. Report of the Social Committee. E/3409. July 15, 1960. 5 pp.

Report of the Commission on the Status of Women. Report of the Social Committee. E/3411. July 20, 1960. 7 pp.

## TREATY INFORMATION

### Current Actions

#### MULTILATERAL

##### Agriculture

Protocol of amendment to the convention on the Inter-American Institute of Agricultural Sciences of January 15, 1944 (58 Stat. 1169). Opened for signature at Washington December 1, 1958.<sup>1</sup>

Signature: Panama, November 1, 1960.

##### Health

Constitution of the World Health Organization. Opened for signature at New York July 22, 1946. Entered into force April 7, 1948. TIAS 1808.

Acceptance deposited: Mali, October 17, 1960.

Amendments to articles 24 and 25 of the World Health Organization Constitution of July 22, 1946 (TIAS 1808). Adopted by the 12th World Health Assembly at Geneva May 28, 1959. Entered into force October 25, 1960.

Acceptances deposited: Ireland, October 15, 1960; Mali, October 17, 1960.

##### Telecommunications

International telecommunication convention. Signed at Buenos Aires December 22, 1952. Entered into force January 1, 1954. TIAS 3266.

Accession deposited: Mali, October 21, 1960.

#### BILATERAL

##### Chile

Agreement providing a grant to Chile for purposes of disaster rehabilitation. Effected by exchange of notes at Santiago October 28, 1960. Entered into force October 28, 1960.

##### Greece

Agricultural commodities agreement under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (68 Stat. 455; 7 U.S.C. 1701-1709), with related notes. Signed at Athens November 7, 1960. Entered into force November 7, 1960.

##### India

Agreement amending the agricultural commodities agreement of November 13, 1959, as amended (TIAS 4354, 4400, and 4440). Effected by exchange of notes at Washington November 3 and 9, 1960. Entered into force November 9, 1960.

##### Portugal

Agreement to facilitate interchange of patent rights and technical information for defense purposes. Signed at Lisbon October 31, 1960. Entered into force October 31, 1960.

##### Turkey

Agreement amending the agricultural commodities agreement of December 22, 1959, as amended (TIAS 4391 and 4528). Effected by exchange of notes at Ankara October 22, 1960. Entered into force October 22, 1960.

<sup>1</sup> Not in force.

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| *641 | 11/14 | Russell appointed Ambassador to Ghana (biographic details).            |
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| †643 | 11/15 | Bonsal designated Interim Representative on OAS Council (rewrite).     |
| *644 | 11/15 | Warren retirement from Foreign Service.                                |
| 645  | 11/16 | 10th anniversary of U.S.-India educational exchange program (rewrite). |
| 646  | 11/17 | Wheat aid to Afghanistan.  |
| †647 | 11/18 | Training of foreign medical graduates.                                 |
| 648  | 11/17 | Herter: "The Economic Challenge in Foreign Policy."                    |
| †649 | 11/18 | Berding: "Foreign Policy and News Responsibility."                     |
| 650  | 11/18 | Delegation to Bonn financial talks (rewrite).                          |
| 651  | 11/18 | Arms buildup in Cuba.  |

\*Not printed.

†Held for a later issue of the BULLETIN.



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